CONDENSED INTERIM FINANCIAL STATEMENTS

30 June 2026

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DIRECTORS' REPORT PURSUANT TO CAPITAL MARKETS RULE 5.75.2

During the first half of 2026, geopolitical tensions escalated as the conflict involving the United States-Israel and Iran unfolded. The disruption of shipping through the Strait of Hormuz materially affected global energy markets, driving a sharp increase in oil prices, disturbing supply chains and weighing on investor sentiment. Despite heightened uncertainty compounded by the ongoing conflict between Russia and Ukraine, and elevated market volatility, global equity markets demonstrated notable resilience.

The increase in energy prices contributed to renewed inflationary pressures across both the Eurozone and the United States. In response, the European Central Bank increased its key policy interest rates in June whilst in the US, the Fed indicated a shift towards a more hawkish monetary policy stance signalling that the likelihood of near-term monetary policy easing had diminished. On the domestic front, the Maltese economy maintained its positive growth trajectory, underpinned by strong tourism activity, resilient exports of goods and services, favourable labour market conditions and sustained private consumption.

Against this backdrop, APS Bank has maintained the growth momentum already in evidence in 2025 and further supported by the continued execution of its strategic priorities, stronger customer activity and revenues, and the resilience of its diversified business model. The Bank's performance remains underpinned by strong capital and liquidity positions, sound asset quality and prudent underwriting standards, while a more normalised interest rate environment has continued to support net interest margins through lower funding costs.

INCOME STATEMENT

For the period under review, **APS Bank plc delivered a record interim financial result with profit before tax of €23.9 million at Group level (1H 2025: €9.1 million) and €23.5 million at Bank level (1H 2025: €10.2 million)**. The substantial increase in profitability for both Group and Bank reflects sustained growth in business volumes, leading to more robust and diversified revenue streams and effective margin and cost management.

a) **Interest income for the first half of the year amounts to €67.8 million, an increase of €7.7 million (12.8%) on 1H 2025**. Interest income growth was primarily driven by the Group's core retail and commercial lending portfolios, as returns from syndicated loans were lower than the corresponding period of 2025 as these facilities repriced at lower interest rates. However, this was more than offset by a significant increase in treasury portfolio interest yields leading to the overall strengthening of the Group's interest income profile.

b) **Interest payable of €16.8 million for the period under review represents a significant reduction of €7.7 million compared to the corresponding 1H 2025.** The continued optimisation of the Group's funding profile, with the mix shifting towards overnight and demand deposits, contributed to a significant reduction in funding costs during the period, further enhancing the Group's net interest margins despite the Bank remaining competitive in its fixed-term deposit offerings.

c) **The Group's cost of funds for the first half of the year contracted to 78 basis points (1H2025: 125 basis points)**. This contributed to a strengthening of the Net Interest Margin (NIM) to 2.23% for 1H 2026 compared to 1.72% in the corresponding period, a 51 basis point improvement which can be attributed as the main contributing factor to the improved NIM performance.

d) **Net fee and commission income amounts to €6.1 million (1H 2025: €4.6 million), representing an increase of 32.6%.** This is the result of all-round growth mainly in banking income, thanks to the sustained expansion in the lending portfolio, complemented by higher revenues generated from investment services, pensions products, treasury and transactional banking activities.

e) **Net impairment charges for the half year under review mark an increase to €2.5 million (1H 2025: €0.5 million),** primarily relating to Stage 3 elements in the commercial and syndicated loan portfolios. Notwithstanding this prudent review of impairment provisions, the Non-Performing Loans (NPL) ratio of 1.44% (1H 2025 - 1.42%) still attests to the book's credit quality and high underwriting standards adopted by the Bank.

f) **For the period under review, operating expenditure amounts to €32.8 million (1H 2025: €31.6 million), an increase of 4.0% which is the lowest on record for years.** The increase is once again due to higher staff costs of €1.6 million compared to the corresponding period, thanks to the continued investment in talent, upskilling and human capital transformation to support, and future-proof, the Bank's long-term strategic positioning.

g) On the other hand, an **overall reduction of €0.7 million was registered in administrative expenses** thanks to greater efficiencies and discipline in cost management while continuing to invest heavily in operational resilience and technology. It is also pertinent to remind that 1H 2025 included €1.3 million of non-recurring due-diligence and advisory costs incurred in relation to the abandoned acquisition of HSBC Malta.

h) **Operational efficiency improved significantly, with the cost-to-income ratio declining to 55.9% from 77.4% in the corresponding period of 2025**. Excluding non-recurring items, the core cost-to-income ratio similarly declined to 56.0% from 75.3% in the corresponding period.

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

INCOME STATEMENT (CONTINUED)

i) **Group profit after tax for the six months under review amounts to a record interim result of €16.3 million (1H 2025: €4.9 million).** This translates into a Return on Average Equity of 9.2%, compared to 3.3% in the comparative period.

FINANCIAL POSITION

j) **Group assets stand at €4.8 billion, up by 3.2% from December 2025**. **The main growth streams being:**
- Net loans and advances to retail and corporate customers, which increased by a net €252.9 million, or 7.5%, compared to December 2025.
- Syndicated loans also grew by €8.1 million, while debt securities increased by €58.2 million, collectively contributing to the continued expansion of the Bank's asset base.
- Partially offsetting the above growth, cash balances with the Central Bank of Malta declined by €137.5 million as surplus liquidity was efficiently deployed into interest-bearing securities.

k) **Total liabilities closed at €4.4 billion, up by 3.3% on December 2025. Key contributors to this growth are**:
- Customer deposits, which increased by €107.8 million over the period, reflecting continued growth in the Bank's funding portfolio despite 'leakages' from competing offerings, including Malta Government securities.
- As already noted, the deposit mix shifted towards overnight balances, enhancing funding efficiency and contributing to a more favourable cost of funding.

l) **Total equity at the end of 1H 2026 of €371.2 million, reflecting the following movements:**
- Post-tax profit for the period amounted to €16.3 million.
- The distribution of scrip dividend totalling €7.4 million relating to the financial year ended 31 December 2025, with €1.6 million being retained in equity.

m) **The Bank's CET1 ratio stood at 16.6%** (Dec-2025: 17.6%) **and the Capital Adequacy Ratio at 21.5%** (Dec-2025: 23.2%).

DIVIDENDS

At the Annual General Meeting of May 2026, shareholders approved the payment of a net scrip dividend of €7,400,000 (gross dividend of €11,384,615) at an attribution price of €0.50. 21% of the distribution was taken as scrip, resulting in 3,153,579 new ordinary shares being issued.

The Board is declaring the payment of an interim net dividend of €4,000,000 (gross dividend of €6,153,846), in the form of scrip, subject to regulatory approval. The net dividend equates to €0.0082 cents per ordinary share (gross dividend of €0.0126 cents per ordinary share).

OUTLOOK

The global economy remained resilient during 1H 2026 despite continued geopolitical uncertainty, evolving trade dynamics and shifting monetary policy expectations. While downside risks persist and global growth is expected to moderate from recent levels, activity continues to be supported by easing inflation and gradually stabilising financial conditions, with a measured recovery anticipated over the medium term. Malta's GDP growth is projected to remain robust, expanding by approximately 3.7% for the year although moderating slightly compared to 2025. At the same time, the Government's continued measures to mitigate the impact of elevated energy prices and inflation on households and businesses are expected to place ongoing pressure on public finances. For 2026, inflation is projected at 2.5% p.a., contributing to a more stable operating environment, although external and sustainability risks call for continuous close monitoring.

For the rest of 2026, APS Bank is well placed to ride on the tailwinds of a strong first half of the year thanks to its efficient balance sheet management and resilient business model. The Bank remains focused on strengthening the customer experience, enhancing its digital capabilities and broadening its product and service offering, while preserving a disciplined approach to risk, capital and liquidity. Continued investment in people, technology and innovation, together with a focus on operational excellence, sustainability and customer-centricity, remain the hallmarks of the Bank's strategy. The strategic decisions made by the Bank in recent years making it increasingly the 'everyday bank of choice' have resulted in higher customer engagement, greater business activity, deeper relationships and expanding banking/non-banking revenue streams, positioning us to continue creating and delivering long-term value to all our stakeholders.

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	**NOEL MIZZI**
Chairman	Director

30 July 2026

STATEMENTS OF PROFIT OR LOSS

for the period ended 30 June 2026

		The Group		The Bank	
		Jun-26	Jun-25	**Jun-26**	Jun-25
	Note	**€000**	€000	**€000**	€000
Interest and similar income:					
On loans and advances and balances with the Central Bank of Malta		**59,744**	56,539	**59,744**	56,539
On debt and other fixed income instruments		**8,088**	3,575	**7,193**	2,710
Total interest and similar income		**67,832**	60,114	**66,937**	59,249
Interest expense		**(16,824)**	(24,483)	**(16,824)**	(24,483)
Net interest income		**51,008**	35,631	**50,113**	34,766
Fee and commission income		**8,465**	6,549	**7,544**	5,886
Fee and commission expense		**(2,369)**	(1,952)	**(2,284)**	(1,876)
Net fee and commission income		**6,096**	4,597	**5,260**	4,010
Dividend income		**265**	244	**1,075**	1,060
Net gains/(losses) on foreign exchange		**731**	(534)	**659**	348
Net (losses)/gains on other financial instruments		**(21)**	664	**178**	1,099
Other operating income		**594**	158	**594**	158
Operating income before net impairments		**58,673**	40,760	**57,879**	41,441
Net impairment losses	3	**(2,465)**	(453)	**(2,465)**	(453)
Net operating income		**56,208**	40,307	**55,414**	40,988
Employee compensation and benefits		**(17,630)**	(15,990)	**(17,107)**	(15,575)
Other administrative expenses		**(11,892)**	(12,586)	**(11,535)**	(12,213)
Depreciation of property and equipment		**(1,214)**	(901)	**(1,214)**	(901)
Amortisation of intangible assets		**(1,725)**	(1,701)	**(1,725)**	(1,701)
Depreciation of right-of-use assets		**(359)**	(377)	**(359)**	(377)
Operating expenses		**(32,820)**	(31,555)	**(31,940)**	(30,767)
Net operating profit before associates' results		**23,388**	8,752	**23,474**	10,221
Share of results of associates, net of tax		**499**	391	**-**	-
Profit before tax		**23,887**	9,143	**23,474**	10,221
Income tax expense	5	**(7,616)**	(4,284)	**(7,522)**	(4,251)
Profit for the period		**16,271**	4,859	**15,952**	5,970
Profit for the period attributable to:					
Equity holders of the parent		**16,144**	4,874	**15,952**	5,970
Non-controlling interest		**127**	(15)	**-**	-
		16,271	4,859	**15,952**	5,970
Basic and diluted earnings per share	6	**3.3c**	1.3c	**3.3c**	1.5c

STATEMENTS OF COMPREHENSIVE INCOME

for the period ended 30 June 2026

	The Group		The Bank	
	Jun-26	Jun-25	**Jun-26**	Jun-25
	€000	€000	**€000**	€000
Profit for the period	**16,271**	4,859	**15,952**	5,970
Other comprehensive (loss)/income:				
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)	**(1,116)**	1,415	**(1,116)**	1,415
Release of fair value on disposal of debt instruments measured at FVTOCI	**79**	(519)	**79**	(519)
Deferred income tax related to the components of other comprehensive income (OCI)	**(2)**	(74)	**(2)**	(74)
Other comprehensive (loss)/income for the period, net of tax	**(1,039)**	822	**(1,039)**	822
Total comprehensive income for the period, net of tax	**15,232**	5,681	**14,913**	6,792

Total comprehensive income for the period attributable to:				
Equity holders of the parent	**15,105**	5,696	**14,913**	6,792
Non-controlling interest	**127**	(15)	**-**	-
	15,232	5,681	**14,913**	6,792

STATEMENTS OF FINANCIAL POSITION

as at 30 June 2026

		The Group		The Bank	
		Jun-26	Dec-25	**Jun-26**	Dec-25
	Note	**€000**	€000	**€000**	€000
ASSETS					
Cash and balances with Central Bank of Malta		**263,595**	401,094	**263,595**	401,094
Loans and advances to banks		**26,887**	53,062	**25,684**	51,860
Financial assets at fair value through profit or loss		**63,386**	43,161	**20,719**	-
Syndicated loans		**180,817**	172,716	**180,817**	172,716
Loans and advances to customers		**3,630,829**	3,377,945	**3,630,829**	3,377,945
Derivative assets held for risk management		**1,483**	1,968	**1,483**	1,968
Other debt and fixed income instruments		**500,945**	462,977	**500,196**	462,228
Equity and other non-fixed income instruments		**5,659**	6,342	**5,659**	6,342
Investment in subsidiaries		**-**	-	**40,251**	40,251
Investment in associates		**16,066**	14,798	**15,299**	14,299
Investment properties		**13,243**	13,227	**13,243**	13,227
Property and equipment	7	**48,085**	49,298	**48,085**	49,298
Intangible assets	7	**22,501**	21,731	**22,501**	21,731
Right-of-use assets		**3,135**	3,489	**3,135**	3,489
Other receivables		**18,492**	16,570	**17,113**	15,387
Current tax assets		**-**	6,699	**-**	6,699
Deferred tax assets		**649**	-	**649**	-
TOTAL ASSETS		**4,795,772**	4,645,077	**4,789,258**	4,638,534
LIABILITIES					
Derivative liabilities held for risk management		**2,084**	1,968	**2,084**	1,968
Amounts owed to banks		**18,331**	1,849	**18,331**	1,849
Amounts owed to customers		**4,242,066**	4,134,250	**4,242,905**	4,134,965
Lease liabilities		**3,329**	3,728	**3,329**	3,728
Accruals		**19,236**	17,492	**18,985**	17,587
Debt securities in issue		**104,365**	104,314	**104,365**	104,314
Other liabilities		**29,231**	18,933	**29,203**	18,881
Current tax liabilities		**5,899**	-	**5,750**	-
Deferred tax liabilities		**-**	244	**-**	244
TOTAL LIABILITIES		**4,424,541**	4,282,778	**4,424,952**	4,283,536
EQUITY					
Share capital	12	**122,408**	121,411	**122,408**	121,411
Share premium	12	**73,262**	72,228	**73,262**	72,228
Revaluation reserve		**18,138**	19,177	**18,138**	19,177
Retained earnings		**145,289**	136,545	**150,362**	141,810
Other reserves		**136**	372	**136**	372
Attributable to equity holders of the parent		**359,233**	349,733	**364,306**	354,998
Non-controlling interest		**11,998**	12,566	**-**	-
TOTAL EQUITY		**371,231**	362,299	**364,306**	354,998
TOTAL LIABILITIES AND EQUITY		**4,795,772**	4,645,077	**4,789,258**	4,638,534
MEMORANDUM ITEMS					
Contingent liabilities		**34,026**	33,731	**34,026**	33,731
Commitments		**1,470,346**	1,316,013	**1,470,346**	1,316,013

The condensed interim financial statements were approved by the Board of Directors and authorised for issue on 30 July 2026 and signed on its behalf by:

MARTIN SCICLUNA
Chairman

NOEL MIZZI
Directo

MARCEL CASSAR
Chief Executive Officer

RONALD MIZZI
Chief Financial Officer

STATEMENTS OF CHANGES IN EQUITY

for the period ended 30 June 2026

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 2026								
Balance at 1 January 2026	121,411	72,228	19,177	136,545	372	349,733	12,566	362,299
Profit for the period	-	-	-	16,144	-	16,144	127	16,271
Other comprehensive loss	-	-	(1,039)	-	-	(1,039)	-	(1,039)
Total comprehensive (loss)/income	**-**	**-**	**(1,039)**	**16,144**	**-**	**15,105**	**127**	**15,232**
Share incentive plan – Value of employee services (Note 4)	-	-	-	-	219	219	-	219
Share incentive plan – Vesting of shares (Note 4)	209	246	-	-	(455)	-	-	-
Dividends to equity holders (Note 11)	788	788	-	(7,400)	-	(5,824)	(144)	(5,968)
Net share capital redemptions by subsidiary company	-	-	-	-	-	-	(551)	(551)
Balance at 30 June 2026	**122,408**	**73,262**	**18,138**	**145,289**	**136**	**359,233**	**11,998**	**371,231**
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/(loss)	-	-	-	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**

STATEMENTS OF CHANGES IN EQUITY

for the period ended 30 June 2026

The Bank	Share capital €000	Share premium €000	Revaluation reserve €000	Retained earnings €000	Other reserves €000	Total €000
PERIOD ENDED 30 JUNE 2026						
Balance at 1 January 2026	121,411	72,228	19,177	141,810	372	354,998
Profit for the period	-	-	-	15,952	-	15,952
Other comprehensive loss	-	-	(1,039)	-	-	(1,039)
Total comprehensive (loss)/income	**-**	**-**	**(1,039)**	**15,952**	**-**	**14,913**
Share incentive plan – Value of employee services (Note 4)	-	-	-	-	219	219
Share incentive plan – Vesting of shares (Note 4)	209	246	-	-	(455)	-
Dividends to equity holders (Note 11)	788	788	-	(7,400)	-	(5,824)
Balance at 30 June 2026	**122,408**	**73,262**	**18,138**	**150,362**	**136**	**364,306**
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**

STATEMENTS OF CASH FLOWS

for the period ended 30 June 2026

	The Group		The Bank	
	Jun-26	Jun-25	**Jun-26**	Jun-25
	€000	€000	**€000**	€000
OPERATING ACTIVITIES				
Interest and commission receipts	**68,962**	63,349	**67,126**	61,835
Interest and commission payments	**(19,419)**	(26,664)	**(19,071)**	(26,315)
Cash paid to employees and suppliers	**(28,172)**	(27,949)	**(27,561)**	(27,446)
Operating profit before changes in operating assets and liabilities	**21,371**	8,736	**20,494**	8,074
(Increase)/decrease in operating assets				
Loans and advances to customers/syndicated loans	**(263,380)**	(142,305)	**(263,380)**	(142,305)
Reserve deposit with Central Bank of Malta	**(508)**	(3,307)	**(508)**	(3,307)
Other assets	**450**	(83)	**-**	-
Increase/(decrease) in operating liabilities				
Amounts owed to customers	**107,817**	179,466	**107,941**	179,389
Amounts owed to banks	**(774)**	(765)	**(774)**	(765)
Other liabilities	**9,232**	9,929	**9,831**	9,098
Net cash (used in)/generated from operating activities before tax	**(125,792)**	51,671	**(126,396)**	50,184
Income tax paid	**(909)**	(1,909)	**(901)**	(2,081)
Income tax refunded	**4,961**	-	**4,933**	-
Net cash flows (used in)/generated from operating activities	**(121,740)**	49,762	**(122,364)**	48,103
INVESTING ACTIVITIES				
Dividends received	**496**	490	**1,075**	1,060
Interest income from debt securities	**6,117**	2,652	**6,102**	2,649
Purchase of debt instruments measured at FVTOCI	**(107,934)**	(164,352)	**(107,934)**	(164,352)
Proceeds on disposal of debt instruments measured at FVTOCI	**92,283**	62,060	**92,283**	62,060
Purchase of debt instruments measured at amortised cost	**(22,974)**	(85,785)	**(22,974)**	(85,283)
Proceeds on disposal and maturities of debt instruments measured at amortised cost	**1,500**	147,804	**1,500**	147,654
Purchase of financial assets measured at FVTPL	**(33,453)**	(21,394)	**(19,842)**	-
Proceeds on disposal of financial assets at FVTPL	**14,247**	22,282	**-**	-
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	**(2,020)**	(3,267)	**(2,020)**	(3,267)
Net cash flows used in investing activities	**(52,738)**	(38,060)	**(52,810)**	(38,029)
FINANCING ACTIVITIES				
Dividends paid	**(5,968)**	(5,897)	**(5,824)**	(5,741)
Amounts received on creation of shares by subsidiaries	**260**	155	**-**	-
Amounts paid on redemption of shares by subsidiaries	**(811)**	(1,240)	**-**	-
Cash payment for the principal portion of lease liability	**(442)**	(391)	**(442)**	(391)
Net cash flows used in financing activities	**(6,961)**	(7,373)	**(6,266)**	(6,132)
Net (decrease)/increase in cash and cash equivalents	**(181,439)**	4,329	**(181,440)**	3,942
Cash and cash equivalents at 1 January	**416,856**	346,767	**415,654**	344,737
Cash and cash equivalents at 30 June	**235,417**	351,096	**234,214**	348,679

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

for the period ended 30 June 2026

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 2026 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 2025 and the unaudited results, changes in equity and cash flows for the period ended 30 June 2026.

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 2025, 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 2025, 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 2025. 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 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); and
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7), which become effective for financial years 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 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:

- Amendment to IAS 21 – Translation to a Hyperinflationary Presentation Currency (effective for financial periods beginning on or after 1 January 2027 - expected to be endorsed by end of 2026);
- Amendments to the Fair Value Option in IAS 28 - Investments in Associates and Joint Ventures (effective for financial periods beginning on or after 1 January 2027);
- IFRS 20 - Regulatory Assets and Regulatory Liabilities (effective for financial periods beginning on or after 1 January 2027);
- IFRS 19 – Subsidiaries without Public Accountability: Disclosures (effective for financial periods beginning on or after 1 January 2027 – expected to be endorsed by the second half of 2026); and
- IFRS 18 – Presentation and Disclosure in Financial Statements: which becomes effective (endorsed 13 February 2026) 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 management defined 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.

The amendments to IAS 21 (Translation to a Hyperinflationary Presentation Currency), the introduction of IFRS 19 (Subsidiaries without Public Accountability: Disclosures), the amendments to IAS 28 (Investment in Associates and Joint Ventures) and the introduction of IAS 20 (Regulatory Assets and Regulatory Liabilities) have been determined not to apply to the Group.

During the year ended 2025, the Group assessed the expected impact of the future adoption of IFRS 18 on its consolidated financial statements. IFRS 18 introduces new requirements for the structure and content of the statement of profit or loss, including mandatory categories for income and expenses (operating, investing and financing) and enhanced guidance on aggregation and disaggregation.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

for the period ended 30 June 2026

2. BASIS OF PREPARATION (continued)

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

Based on the assessment performed to date, the Group expects the impact of adopting IFRS 18 to relate primarily to presentation, classification and disclosure requirements, in the statements of profit or loss including consequential changes to the statements of cash flow under IAS 7. Total profit for the period and equity will not be affected.

The Group's current statement of profit or loss is largely aligned with its core banking activities. Accordingly, the majority of income and expense items are expected to continue to be presented within the operating category under IFRS 18. However, certain items will be reclassified to comply with the standard's prescribed categories. In particular, the following items are expected to be presented outside the operating category:

- Interest expense on lease liabilities – financing category
- Interest expense on debt security in issue – financing category
- Dividend income – investing category
- Share of results of associates – investing category
- Fair value changes on investment property – investing category

As a result of these reclassifications, the composition of operating profit will change upon adoption. However, there will be no impact on net profit or total comprehensive income.

The Group has reviewed its income and expense captions to ensure compliance with the enhanced aggregation and disaggregation principles introduced by IFRS 18. Certain line-item descriptions may be updated to align with IFRS 18 terminology. Other operating income may include ad-hoc or non-recurring items; these will be assessed on a case-by-case basis to determine whether separate presentation or additional disaggregation is required.

The Group is currently implementing the necessary changes to internal reporting systems and processes to facilitate the required presentation changes and the restatement of comparative information upon initial application of IFRS 18.

3. NET IMPAIRMENT LOSSES

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

			Movement in	Movement in
	Jun-26	Dec-25	**1H 2026**	1H 2025
The Group/The Bank	**€000**	€000	**€000**	€000
Loans and advances to banks - amortised cost	**18**	19	**1**	(6)
Cash and balances with the Central Bank of Malta	**3**	5	**2**	(1)
Loans and advances to customers – amortised cost	**13,628**	13,074	**(554)**	(146)
Syndicated loans	**8,765**	7,400	**(1,365)**	116
Debt securities – amortised cost	**162**	146	**(16)**	(21)
Debt securities – FVTOCI	**529**	473	**(56)**	(50)
Total			**(1,988)**	(108)
Write offs during the period			**(477)**	(345)
Net impairment losses			**(2,465)**	(453)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

for the period ended 30 June 2026

3. NET IMPAIRMENT LOSSES (continued)

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

The Group/The Bank	**Jun-26 €000**	Jun-25 €000
Charge for the year:		
- collective impairment	**(1,169)**	(1,076)
- individual impairment	**(2,907)**	(988)
- bad debts written off	**(477)**	(345)
	(4,553)	(2,409)
Reversal of write-downs:		
- collective impairment	**1,184**	1,234
- individual impairment	**904**	722
	2,088	1,956
Net impairment losses	**(2,465)**	(453)

4. SHARE INCENTIVE PLAN AWARDS

As at 30 June 2026, the Group's share incentive plan had two tranches with outstanding share awards. All the awards in tranche 1 and tranche 2 have been vested as at end of June 2026. In the third tranche, the Group granted 786,800 share awards with a grant date of 23 July 2024. In the fourth tranche, the Group granted 878,100 share awards with a grant date of 8 July 2025.

Following the 2025 Rights Issue, the unvested equity shares granted under ESIP were adjusted to reflect the dilution impact, in accordance with IFRS 2 *Share-Based Payment*. Eligible employees were entitled to receive an additional 49,162 shares. Based on the calculation, the adjustment did not result in any incremental fair value and, accordingly, no additional share-based payment expense was recognised. The outstanding awards with a grant date prior to 2025 were amended to reflect the effect of the adjustment following the dilution.

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

Grant Year	**Vesting Date**	**2026**	2025
2023	30 June 2026	-	182,512
2024	30 June 2026	-	201,681
2025	30 June 2026	-	452,986
		-	837,179
2024	30 June 2027	**201,113**	201,681
2025	30 June 2027	**226,139**	226,501
		427,252	428,182
2025	30 June 2028		
		226,139	226,501
Total outstanding share awards		**653,391**	1,491,862

The second tranche of the share-based payment awards were 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.

4. SHARE INCENTIVE PLAN AWARDS (continued)

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.

During 2025, the fourth tranche was granted on 8 July 2025 with a staged vesting period of three years, ending June 2028. The estimated fair value of each share award granted is of €0.54 cents and was measured by applying the Black-Scholes valuation model. The model components inputs were the share price at grant date of €0.54 cents, no strike price, compounded risk-free interest rate of 3.5%, annualized volatility rate of 37.5% 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 2,584 (Dec-2025: 6,450) share awards were forfeited due to termination of employment of eligible employees.

For the six months under review, the total expense arising from these share incentive plan awards amounted to €219K (Jun-25: €215K) and the weighted average remaining contractual life is 0.54 years. Furthermore, 25% of the second share incentive plan award amounting to 182,512, 25% of the third share incentive plan amounting to 201,113 and 50% of the fourth share incentive plan amounting to 452,262 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-26	Dec-25
As at 1 January	**1,491,862**	1,294,400
Granted	**-**	878,100
Incremental shares	**-**	49,162
Vested	**(835,887)**	(723,350)
Forfeited	**(2,584)**	(6,450)
	653,391	1,491,862

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-26 cents per share	Jun-25 cents per share	**Jun-26 cents per share**	Jun-25 cents per share
Basic earnings per share	**3.3**	1.3	**3.3**	1.5

6. EARNINGS PER SHARE (continued)

The basic earnings per share was calculated on profit attributable to shareholders of the Group; €16,144K (Jun-25: €4,874K) and profit attributable to the Bank €15,952K (Jun-25: €5,970K) divided by the weighted average number of ordinary shares outstanding during the year amounting to 489,632K (Jun-25: 384,710K; restated due to scrip dividends and options which were vested).

	The Group		The Bank	
	Jun-26 cents per share	Jun-25 cents per share	**Jun-26 cents per share**	Jun-25 cents per share
Diluted earnings per share	**3.3**	1.3	**3.3**	1.5

The diluted earnings per share was calculated on profit attributable to shareholders of the Group; €16,144K (Jun-25: €4,874K) and profit attributable to the Bank €15,952K (Jun-25: €5,970) 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 490,286K (Jun-25: 385,538K; 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 2026 and the full year to 31 December 2025.

The Group/The Bank

	Jun-26 €000	Dec-25 €000
Land and buildings (including improvements)	**26**	19
Computer software	**2,165**	4,448
Computer hardware	**234**	1,415
Other fixed assets	**70**	104

Up to the date of approval of the condensed interim financial statements, the Group's contracted future capital expenditure amounted to €16,730K (Dec-25: €16,632K). During the period under review there were €33K disposal of assets (Dec-25: €82K).

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-26	Jun-25	**Jun-26**	Jun-25
	€000	€000	**€000**	€000
Interest and similar income:				
Qualifying Shareholders	**26**	16	**26**	16
Bank Directors	**7**	6	**7**	6
Key management personnel	**31**	36	**32**	36
Entities of the same group	**126**	132	**126**	132
Other related parties	**27**	17	**27**	17
Fee and commission income:				
ReAPS Asset Management Ltd	**-**	-	**263**	273
APS Income Fund	**191**	205	**-**	-
APS Ethical Cautious Fund	**165**	169	**-**	-
APS Ethical Adventurous Fund	**79**	109	**-**	-
APS Balanced Fund	**23**	42	**-**	-
IVALIFE Insurance Limited	**29**	27	**-**	-
Qualifying Shareholders	**222**	119	**-**	-
Other related parties	**68**	63	**-**	-
Dividend income:				
APS Diversified Bond Fund	**-**	-	**580**	580
APS Income Fund	**-**	-	**181**	178
APS Ethical Cautious Fund	**-**	-	**1**	1
APS Ethical Adventurous Fund	**-**	-	**26**	63
APS Balanced Fund	**-**	-	**23**	4
Interest payable:				
Bank Directors	**33**	32	**33**	32
Key management personnel	**29**	35	**29**	35
Entities of the same group	**4**	5	**4**	5
Other related parties	**11**	16	**11**	16
Personnel expenses:				
Key management personnel	**2,708**	2,519	**2,682**	2,493
General administrative expenses:				
ReAPS Asset Management Ltd	**-**	-	**687**	582
Qualifying Shareholders	**-**	32	**-**	32

a) Outstanding balances with Directors:

	The Group/The Bank	
	Jun-26	Dec-25
	€000	€000
Loans and advances	**425**	440
Commitments	**376**	375

b) Outstanding balances with key management personnel and other related parties:

	The Group/The Bank	
	Jun-26	Dec-25
	€000	€000
Loans and advances	**11,571**	11,258
Commitments	**940**	768
Amounts due from other related parties	**38**	43

Facilities granted to key management personnel are made in the ordinary course of business on the same terms with other employees.

8. RELATED PARTY DISCLOSURES (continued)

c) Balances with shareholders and entities with common directorship

	Balances as at 30.06.2026 €000	Balances as at 31.12.2025 €000
Shareholders and entities with common directorship	**7,680**	7,684

	Balances as at 30.06.2026 €000	Balances as at 31.12.2025 €000
Amounts due to other related parties:		
Qualifying Shareholders	**3,065**	3,859
Bank Directors	**2,553**	2,443
Key management personnel	**3,239**	3,206
Entities of the same Group	**13,216**	8,170
Other related parties	**3,012**	4,565

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 €4,570,147 (Dec-25: €4,564,721), which bear interest at the prevailing Bank rates. Furthermore, the amounts due from other related parties include secured facilities of €7,570,032 (Dec-25: same) and €7 (Dec-25: €250) unsecured facilities.

No guarantees were received by the related parties as at end of June 2026 (Dec-25: same). Special guarantees given to related parties amount to €391,957 (Dec-25: €371,035).

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.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

for the period ended 30 June 2026

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 2026				
- Land and buildings	-	-	40,530	40,530
Investment properties				
- Residential property	-	-	1,100	1,100
- Commercial property	-	-	12,143	12,143
Derivative assets not designated as hedges	-	1,483	-	1,483
Financial assets at FVTPL				
- Fixed income instruments and investment in collective investment schemes	-	42,667	-	42,667
- Interest-bearing hybrid financial instruments	-	20,719	-	20,719
Financial assets at FVTOCI				
- Other debt and fixed income instruments	282,470	-	523	282,993
- Equity and other non-fixed income instruments	5,487	-	172	5,659
Total	**287,957**	**64,869**	**54,468**	**407,294**
Liabilities as at 30 June 2026				
Derivative liabilities not designated as hedges	-	2,084	-	2,084
Total	**-**	**2,084**	**-**	**2,084**

	Fair value measurement hierarchy			
The Group	**Level 1**	**Level 2**	**Level 3**	**Total**
	€000	**€000**	**€000**	**€000**
Assets as at 31 December 2025				
Property and equipment				
- Land and buildings	-	-	40,621	40,621
Investment properties				
- Residential property	-	-	1,100	1,100
- Commercial property	-	-	12,127	12,127
Derivative assets not designated as hedges	-	1,968	-	1,968
Financial assets at FVTPL				
- Fixed income instruments and investment in collective investment schemes	-	43,161	-	43,161
Financial assets at FVTOCI				
- Other debt and fixed income instruments	265,678	-	523	266,201
- Equity and other non-fixed income instruments	6,173	-	169	6,342
Total	**271,851**	**45,129**	**54,540**	**371,520**
Liabilities as at 31 December 2025				
Derivative liabilities not designated as hedges	-	1,968	-	1,968
Total	**-**	**1,968**	**-**	**1,968**

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

	Fair value measurement hierarchy			
The Bank	**Level 1**	**Level 2**	**Level 3**	**Total**
	€000	**€000**	**€000**	**€000**
Assets as at 30 June 2026				
Property and equipment				
- Land and buildings	-	-	40,530	40,530
Investment properties				
- Residential property	-	-	1,100	1,100
- Commercial property	-	-	12,143	12,143
Derivative assets not designated as hedges	-	1,483	-	1,483
Financial assets at FVTPL				
- Interest-bearing hybrid financial instruments	-	20,719	-	20,719
Financial assets at FVTOCI				
- Other debt and fixed income instruments	282,470	-	523	282,993
- Equity and other non-fixed income instruments	5,487	-	172	5,659
Total	**287,957**	**22,202**	**54,468**	**364,627**
Liabilities as at 30 June 2026				
Derivative liabilities not designated as hedges	-	2,084	-	2,084
Total	**-**	**2,084**	**-**	**2,084**

	Fair value measurement hierarchy			
The Bank	**Level 1**	**Level 2**	**Level 3**	**Total**
	€000	**€000**	**€000**	**€000**
Assets as at 31 December 2025				
Property and equipment				
- Land and buildings	-	-	40,621	40,621
Investment properties				
- Residential property	-	-	1,100	1,100
- Commercial property	-	-	12,127	12,127
Derivative assets not designated as hedges	-	1,968	-	1,968
Financial assets at FVTOCI				
- Other debt and fixed income instruments	265,678	-	523	266,201
- Equity and other non-fixed income instruments	6,173	-	169	6,342
Total	**271,851**	**1,968**	**54,540**	**328,359**
Liabilities as at 31 December 2025				
Derivative liabilities not designated as hedges	-	1,968	-	1,968
Total	**-**	**1,968**	**-**	**1,968**

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

During the current financial period, the structured products' underlying instruments amounting to €20,719K were reclassified from measurement at amortised cost to fair value through profit or loss (FVTPL). As quoted prices for identical instruments in active markets are not available, fair value is determined using recognised valuation techniques that incorporate observable market inputs, including quoted prices for similar instruments and other market-corroborated data.

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

The Group holds financial assets at FVTPL which are carried at market value using available quoted market prices.

Financial assets at fair value through profit or loss – Derivative financial instruments

The valuation of these assets is based on observable market inputs other than quoted prices for identical instruments in active markets. Where direct quoted market prices are not available or are not considered representative, valuation techniques using observable market data have been applied.

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-26	Dec-25
	€000	€000
Opening balance	**692**	692
Exchange rate movement	**3**	-
Closing balance	**695**	692

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;

- Retail is being compensated for unutilised deposits which are being used by other segments as follows; Commercial amounting to €4,011,027 (2025: €6,334,904), Liquidity Management and Structured Loans amounting to €4,707,611 (2025: €8,933,714). The Investment Services are also being compensated for unutilised deposits, used by other segments, consisting of Commercial amounting to €1,140,541 (2025: €991,812) and Liquidity Management and Structured Loans amounting to €1,335,996 (2025: €1,398,690).
- In addition, the compensation allocated to the operating segments, has also been 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 €31,207 (2025: €504,563), Investment services compensated with an amount of €4,793,175 (2025: €4,086,297), Commercial compensated with an amount of €14,422 (2025: €14,422) and Liquidity Management and Structured Loans compensated with an amount of €2,866,500 (2025: €2,866,500).

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 €18,900,479 (2025: €25,130,902), of which €7,705,304 (2025: €7,471,782) 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.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

for the period ended 30 June 2026

10. OPERATING SEGMENTS (continued)

The Group	Retail		Commercial		Investment Services		Liquidity Management and Structured Loans		Total Reportable Segments	
	Jun-26	Jun-25	**Jun-26**	Jun-25	**Jun-26**	Jun-25	**Jun-26**	Jun-25	**Jun-26**	Jun-25
	€000	€000	**€000**	€000	**€000**	€000	**€000**	€000	**€000**	€000
Interest and similar income from external customers	**33,114**	28,266	**19,748**	17,975	**44**	15	**14,033**	13,131	**66,939**	59,387
Interest expense	**(9,257)**	(16,856)	**(684)**	(1,293)	**(4,425)**	(3,834)	**(2,435)**	(2,471)	**(16,801)**	(24,454)
Intersegment transactions	**8,750**	15,773	**(5,137)**	(7,312)	**7,270**	6,477	**(3,177)**	(7,466)	**7,706**	7,472
Net fee and commission income and other income	**384**	652	**3,391**	2,549	**2,319**	2,395	**1,858**	(219)	**7,952**	5,377
Operating income before net impairments	**32,991**	27,835	**17,318**	11,919	**5,208**	5,053	**10,279**	2,975	**65,796**	47,782
Net impairment losses	**(151)**	(185)	**(156)**	(42)	**-**	-	**(1,434)**	(92)	**(1,741)**	(319)
Net operating income	**32,840**	27,650	**17,162**	11,877	**5,208**	5,053	**8,845**	2,883	**64,055**	47,463
Personnel expenses	**(3,050)**	(2,744)	**(1,248)**	(1,119)	**(1,433)**	(1,300)	**(295)**	(271)	**(6,026)**	(5,434)
Other administrative and operating expenses	**(1,158)**	(878)	**(41)**	(118)	**(268)**	(317)	**(144)**	(321)	**(1,611)**	(1,634)
Operating expenses	**(4,208)**	(3,622)	**(1,289)**	(1,237)	**(1,701)**	(1,617)	**(439)**	(592)	**(7,637)**	(7,068)
Net operating profit before associates' results	**28,632**	24,028	**15,873**	10,640	**3,507**	3,436	**8,406**	2,291	**56,418**	40,395
Share of results from associates	**-**	-	**-**	-	**-**	-	**499**	391	**499**	391
Profit before tax as per segments	**28,632**	24,028	**15,873**	10,640	**3,507**	3,436	**8,905**	2,682	**56,917**	40,786
Less: Unallocated items	**-**	-	**-**	-	**-**	-	**-**	**-**	**(33,030)**	(31,643)
Profit before tax as per statements of profit or loss	**28,632**	24,028	**15,873**	10,640	**3,507**	3,436	**8,905**	2,682	**23,887**	9,143

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

for the period ended 30 June 2026

10. OPERATING SEGMENTS (continued)

The Group	Retail		Commercial		Investment Services		Liquidity Management and Structured Loans		Total Reportable Segments	
	Jun-26	Dec-25	**Jun-26**	Dec-25	**Jun-26**	Dec-25	**Jun-26**	Dec-25	**Jun-26**	Dec-25
	€000	€000	**€000**	€000	**€000**	€000	**€000**	€000	**€000**	€000
Total assets as per segments	**2,553,400**	2,404,812	**1,077,426**	973,133	**-**	-	**1,058,841**	1,156,118	**4,689,667**	4,534,063
Add: Unallocated items	**-**	-	**-**	-	**-**	-	**-**	-	**106,105**	111,014
Total assets as per Statements of Financial Position									**4,795,772**	4,645,077
Investment in associates		-		-		-	**16,066**	14,798	**16,066**	14,798
Total liabilities as per segments	**3,993,201**	3,835,874	**250,948**	298,376	**-**	**-**	**122,697**	108,131	**4,366,846**	4,242,381
Add: Unallocated items									**57,695**	40,397
Total liabilities as per Statements of Financial Position									**4,424,541**	4,282,778

	Jun-26	Jun-25
	€000	€000
Profit before tax		
As per reportable segments	**56,917**	40,786
Unallocated items:		
Interest (payable)/receivable	**(6,834)**	(6,774)
Net fee and commission income and other income	**(287)**	(249)
Personnel expenses	**(11,924)**	(10,873)
Professional fees	**(948)**	(2,764)
Repairs and maintenance	**(5,033)**	(3,827)
Telecommunications	**(352)**	(373)
Other administrative expenses	**(3,628)**	(3,671)
Depreciation and amortisation	**(3,298)**	(2,978)
Impairment gains/(losses)	**(308)**	76
Write-offs	**(418)**	(210)
As per Statements of Profit or Loss	**23,887**	9,143

	Jun-26	Dec-25
	€000	€000
Total assets		
As per reportable segments	**4,689,667**	4,534,063
Unallocated items:		
Investment properties	**13,243**	13,227
Property and equipment	**48,085**	49,298
Intangible assets	**22,501**	21,731
Right-of-use assets	**3,135**	3,489
Income tax	**-**	6,699
Deferred tax assets	**649**	-
Other receivables	**18,492**	16,570
As per Statements of Financial Position	**4,795,772**	4,645,077

10. OPERATING SEGMENTS (continued)

	Jun-26	Dec-25
	€000	€000
Total liabilities		
As per reportable segments	**4,366,846**	4,242,381
Unallocated items:		
Current tax liabilities	**5,899**	-
Deferred tax liabilities	**-**	244
Lease liabilities	**3,329**	3,728
Other liabilities	**29,231**	18,933
Accruals	**19,236**	17,492
As per Statements of Financial Position	**4,424,541**	4,282,778

During the financial year ended 2025 and the period under review, the Group has modified the approach for allocating certain income and expense items between operating segments. 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 €11,385K (Jun-25: €9,923K); net dividend of €7,400K (Jun-25: €6,450K) to its shareholders. Equity holders were given the option of a scrip dividend and share capital was accordingly increased by 3,154K shares (Jun-25: 1,246K). The shares were offered at an attribution price of €0.50 cents (Jun-25: €0.57 cents) and the Group's equity was accordingly increased by €1,576K (Jun-25: €709K), with €788K being the increase in share capital (Jun-25: €311K) and €788K being the increase in share premium (Jun-25: €398K).

The Bank paid the remaining amount of dividend in cash which amounted to €5,824K (Jun-25: €5,741K).

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 2, 25% of tranche 3 and 50% of tranche 4 of the share awards:

Share Capital			**Number of shares**	Number of shares
	Jun-26	Dec-25	**Jun-26**	Dec-25
	€000	€000	**'000**	'000
Opening balance	**121,411**	94,902	**485,642**	379,606
Rights issue of shares	**-**	26,017	**-**	104,066
Scrip dividend (Note 11)	**788**	312	**3,154**	1,246
Executive Share incentive plan (Note 4)	**209**	180	**836**	724
Closing balance	**122,408**	121,411	**489,632**	485,642

Share Premium	**Jun-26**	Dec-25
	€000	€000
Opening balance	**72,228**	52,467
Rights issue of shares	**-**	19,773
Share issuance transaction costs	**-**	(660)
Scrip dividend (Note 11)	**788**	399
Executive Share incentive plan (Note 4)	**246**	249
Closing balance	**73,262**	72,228

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.

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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 2026, 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 30 July 2026 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 2026

	The Group		The Bank	
	Jun-26	**Jun-25**	**Jun-26**	**Jun-25**
	%	**%**	**%**	**%**
Return on average equity after tax (ROAE)*	**9.2**	3.3	**8.9**	4.0
Net interest income and other operating income to total assets*	**2.4**	1.9	**2.3**	1.9
Cost to operating income ratio	**55.9**	77.4	**55.2**	74.2
Growth in total assets / liabilities	**3.2**	3.9	**3.2**	3.9
Growth in gross loans and advances to customers	**7.4**	4.4	**7.4**	4.4
Growth in amounts owed to customers	**2.6**	4.9	**2.6**	4.9
Non-performing loans to total gross loans and advances	**1.4**	1.4	**1.4**	1.4
	Jun-26	**Dec-25**	**Jun-26**	**Dec-25**
	%	**%**	**%**	**%**
CET 1 Capital Ratio	**16.6**	17.6	**16.6**	17.6
Total Capital Ratio	**21.5**	23.2	**21.5**	23.2

*Annualised over a 12-month period.