

# Market Briefing



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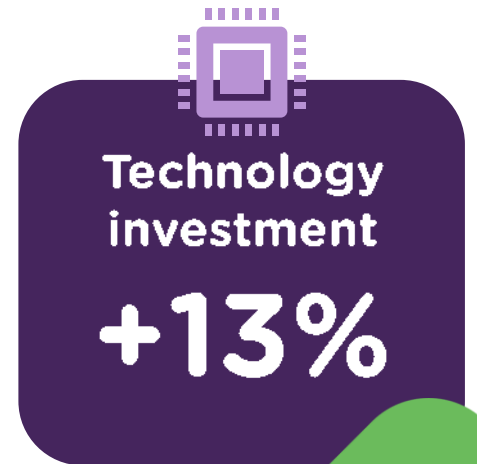
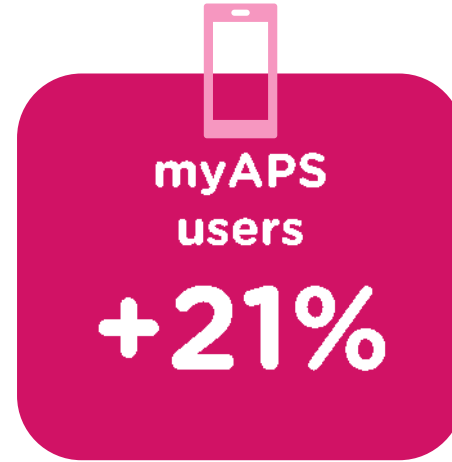
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# Introduction


Marcel Cassar, CEO

# Strong, all-round growth...




# ... and many milestones


**“We upgraded our ATM technology with new, simpler features.”**




**Daniel Cassar**  
Head of Project Management, APS Bank



**“More than 20,000 customers benefited from free online SEPA transfers in 2024.”**



**Zoltan Horvath**  
Head of Propositions APS Bank



**“Our assets under management surpassed €620 million in 2024.”**



**Noel McCarthy**  
Chief Investments Officer APS Bank



**“We enhanced the Bank’s Transaction Monitoring solution for greater efficiency and effectiveness.”**



**Cynthia Borg**  
Head of Financial Crime Compliance & MLRO, APS Bank



**“We created a Competency Framework to define role-specific competencies and address training gaps.”**



**Ray Bonnici**  
Chief People Officer APS Bank



**“Use of the P2M feature on myAPS increased by 51% in 2024 vs 2023.”**



**Gordon Gifford**  
Head of eChannels APS Bank



**“Use of robotic processes is saving us hundreds of thousands of euros.”**



**Ronald Psaila**  
Head of Business Solutions, APS Bank




**“In 2024, we invested €1.7 billion with international banks.”**




**Marvin Farrugia**  
Head of Asset Liability Management, APS Bank



**“In 2024, payments made via myAPS increased by 27%.”**



**Anthony Buttigieg**  
Chief Banking Officer APS Bank




**“Our employees participated in over 250 training courses and conferences for their professional and personal growth.”**




**Elaine Calleja**  
Head of Career Development, APS Bank




**“Customers can add their APS cards to Apple or Google Wallet.”**




**Anthony Buttigieg**  
Chief Banking Officer APS Bank



**“Leading on sustainability is a responsibility to drive lasting change in Malta. This commitment continues to shape our strategy, governance, and daily operations.”**



**Liana DeBattista**  
Chief Strategy Officer APS Bank




**“31% increase in myAPS Business registrations in 2024 vs 2023.”**



**Anthony Buttigieg**  
Chief Banking Officer APS Bank



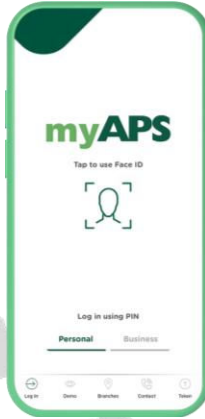
**“Over the last five years, the Bank’s workforce has grown by more than 40%.”**




**Kenneth Azzopardi**  
Head of Human Capital, APS Bank




# A beating community heart




**"We supported over 1,200 green projects worth more than €100 million."**




**Matthew Swain**  
Head of Sustainability  
APS Bank



**"In 2024, we supported close to 200 CSR projects and received more than 250 submissions for our 2025 CSR call."**



**Rachael Blackburn**  
Head of Culture  
APS Bank



**"We supported 100 families in 2024 to purchase their homes through collaborations with the Housing Authority."**



**Zoltan Horvath**  
Head of Propositions  
APS Bank



**"Over 23,000 customers use our investment, pension and insurance services."**



**Kenneth Genovese**  
Head of Investment Distribution, APS Bank



**"We captured more than 40% of the market share for new home loans in 2024."**

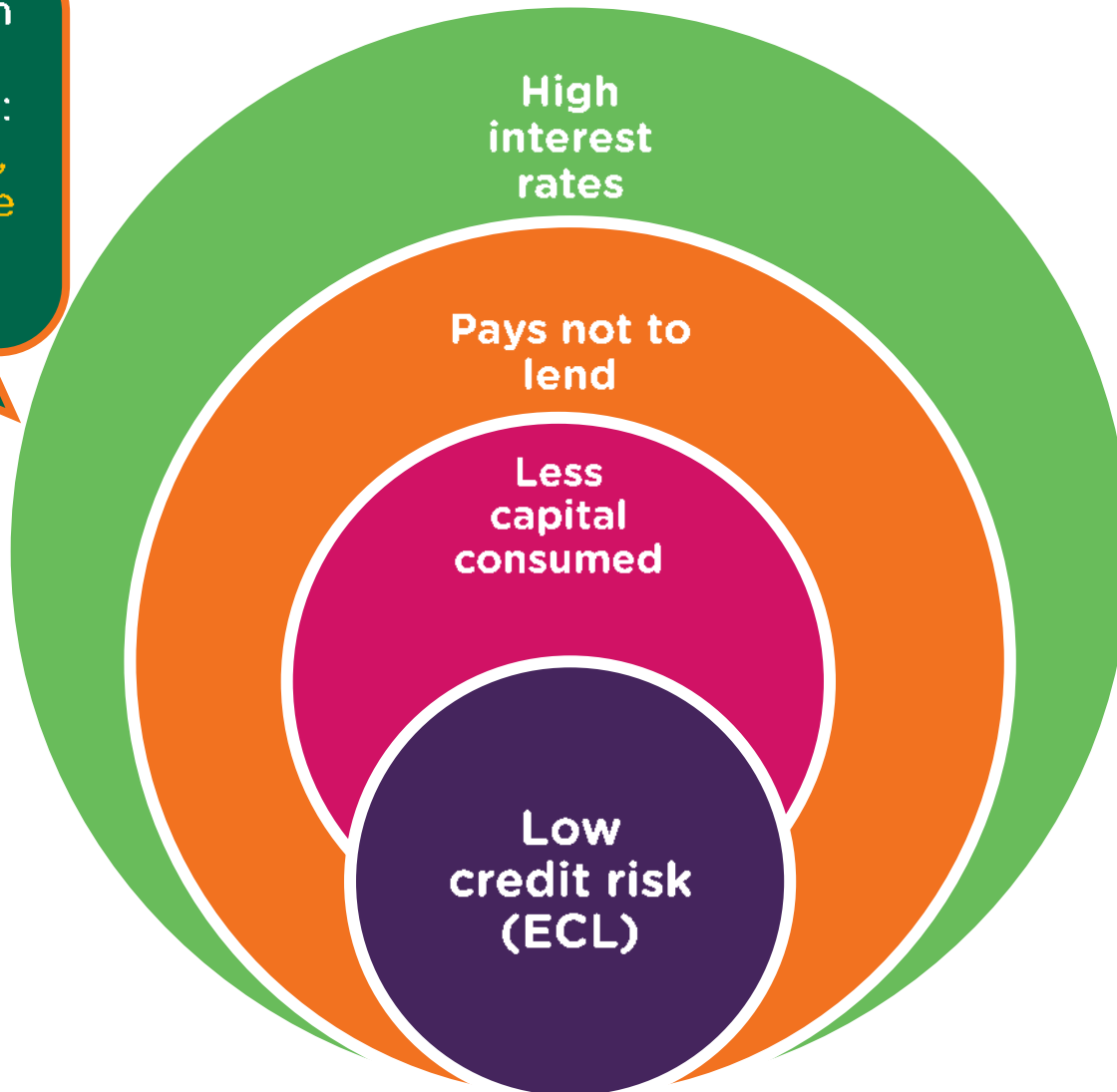


**Aaron Mifsud**  
Head of Retail,  
APS Bank



# Record growth ... and profits?

In 2024, European banks rode the interest rate swell: "Busy doing little, working the whole day through."  
*Bing Crosby, 1949*



What challenged our business model in 2024 ...



Narrowing of NIM



Funding cost pressures





# Financial Results - FY2024

Ronald Mizzi, CFO



# Robust operating fundamentals, margin compression driving lower net income

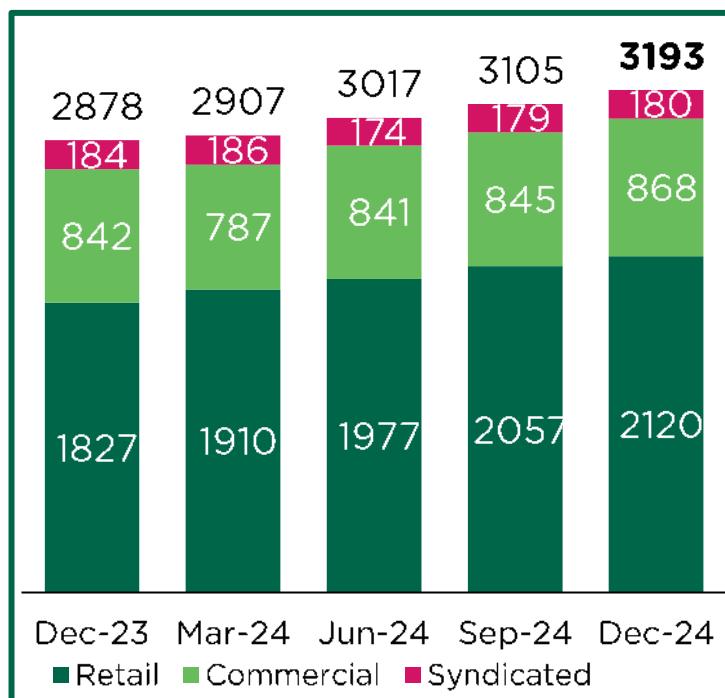
€m	BANK		GROUP	
	Y2023	Y2024	Y2023	Y2024
Net interest income	72.2	63.7	73.6	65.5
Net fee income	7.3	7.8	8.3	8.9
Other operating income	2.2	3.7	0.5	2.8
	<b>81.7</b>	<b>75.2</b>	<b>82.4</b>	<b>77.2</b>
Net gains/losses on financial instruments	1.0	1.0	3.1	0.9
Property revaluations	-	4.8	-	4.8
<b>Operating income</b>	<b>82.7</b>	<b>81.0</b>	<b>85.5</b>	<b>82.9</b>
Operating expenses	(51.4)	(55.5)	(52.6)	(56.9)
Net impairments	(3.5)	(3.0)	(3.5)	(3.0)
Results from associates	-	-	0.9	0.8
<b>Profit before tax</b>	<b>27.8</b>	<b>22.5</b>	<b>30.2</b>	<b>23.8</b>
Tax	(9.6)	(5.5)	(9.6)	(5.6)
<b>PROFIT AFTER TAX</b>	<b>18.2</b>	<b>17.0</b>	<b>20.6</b>	<b>18.2</b>

\*Some totals may not tally due to rounding

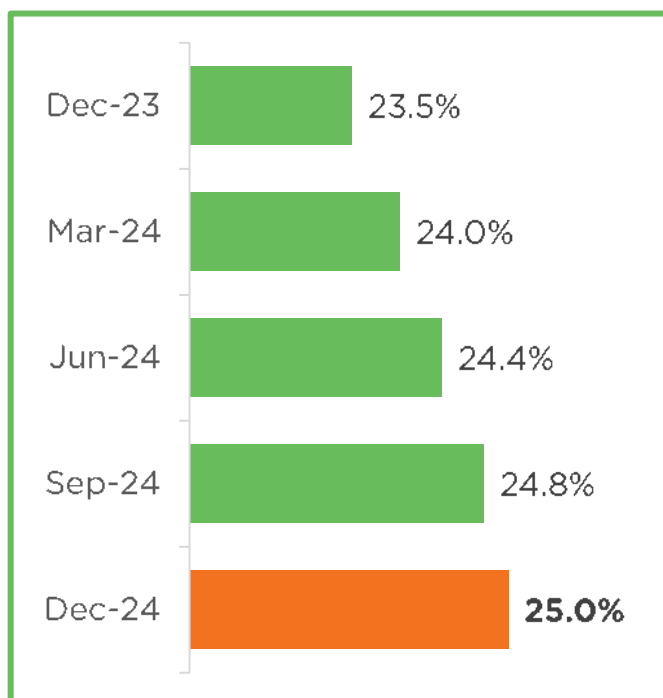
# Strong growth in loan portfolios, becoming Malta's 2<sup>nd</sup> largest retail & commercial lender



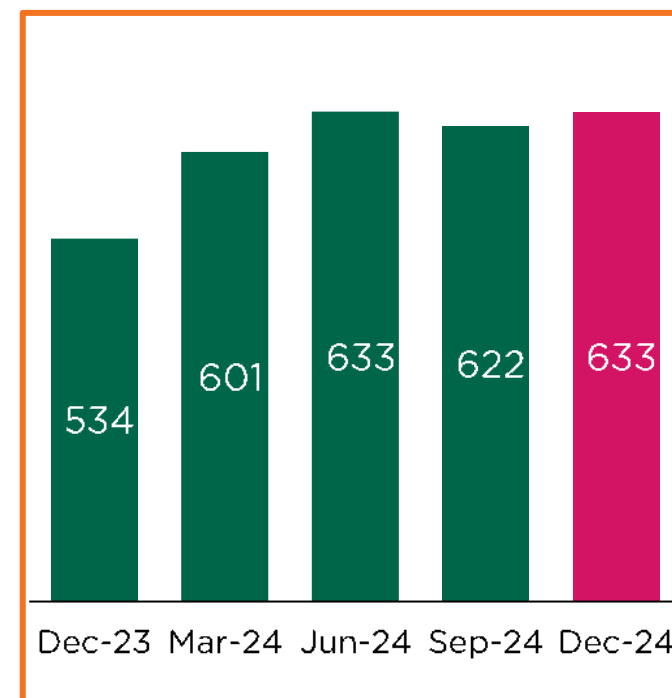
Loan book @€3.2bn - of which home & personal lending >€2.1bn



Home loan market share at 25% capturing 40% of new loans



Complimented by growth in investment services

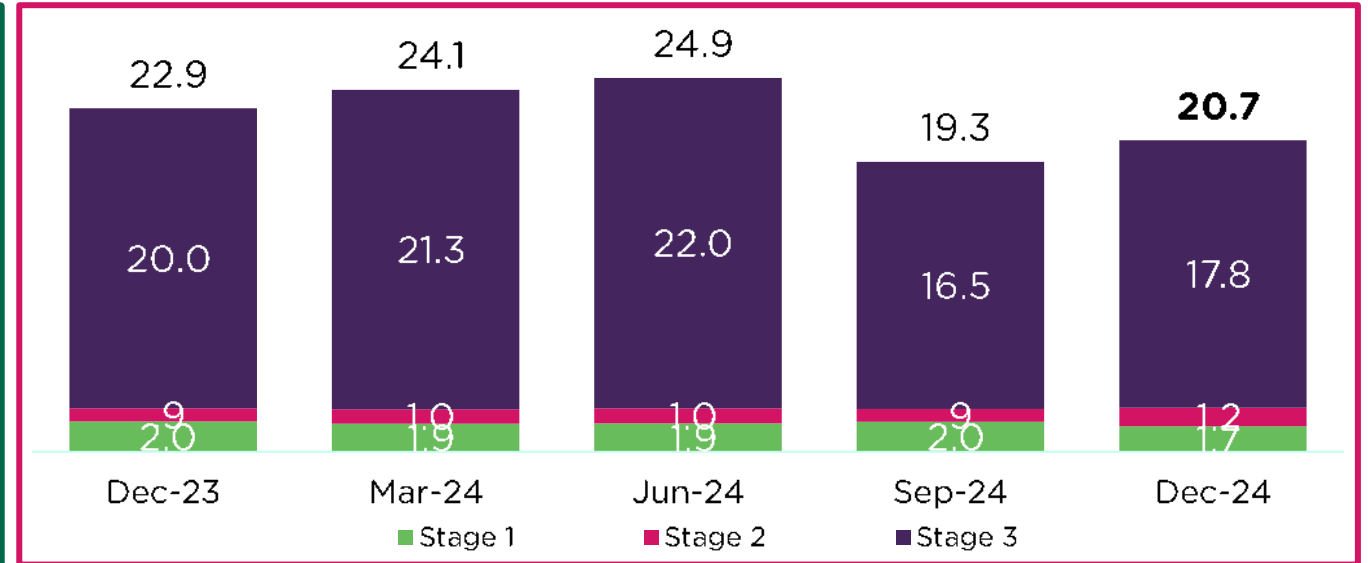
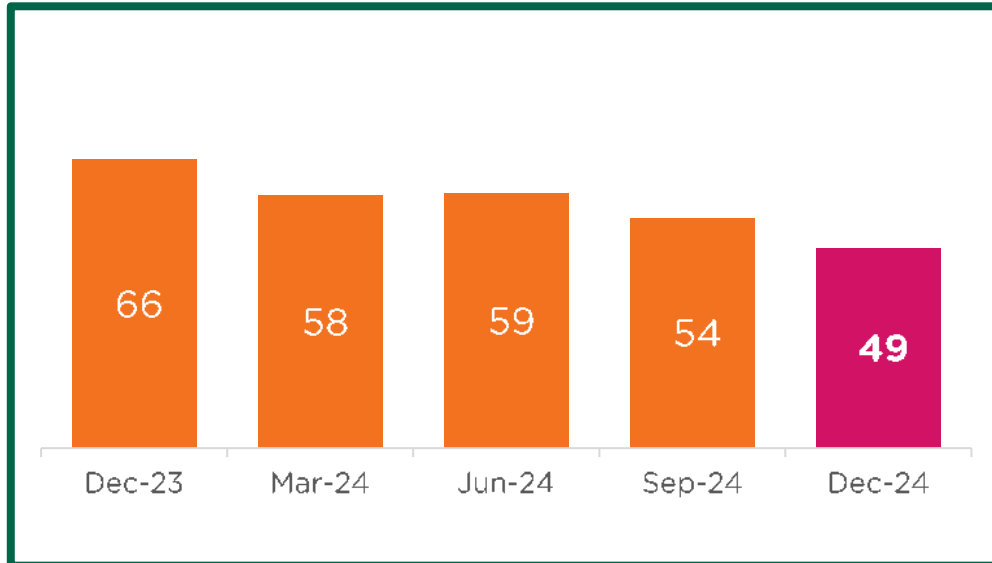


\*Market share data restated to reflect CBM change in classifications \*\* All data in €m unless otherwise stated - some totals may not tally due to rounding

# High underwriting standards driving non-performing loans ratio to 1.5%

Lower NPLs, down by -26% to year-end

Lower ECL on recoveries, offset by growth & Stage 2/3 loans



Historical low NPL ratio, improved coverage

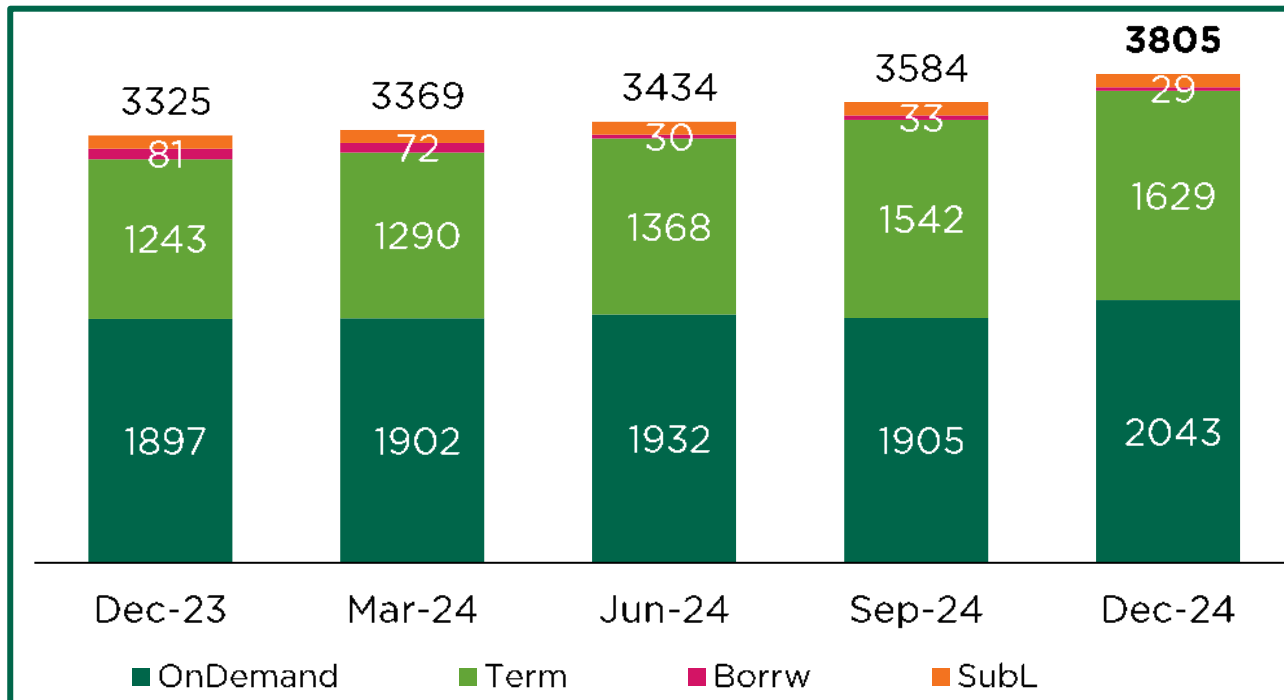
	Dec-23	Sep-24	Dec-24
<b>NPL Ratio</b>	2.2%	1.7%	1.5%
<b>Coverage<sup>1</sup></b>	89%	87%	90%
<b>Cost of Credit</b>	11bps	4bps	8bps

<sup>1</sup> Coverage ratio net of discounted collateral \*All data in €m unless otherwise stated - Some totals may not tally due to rounding

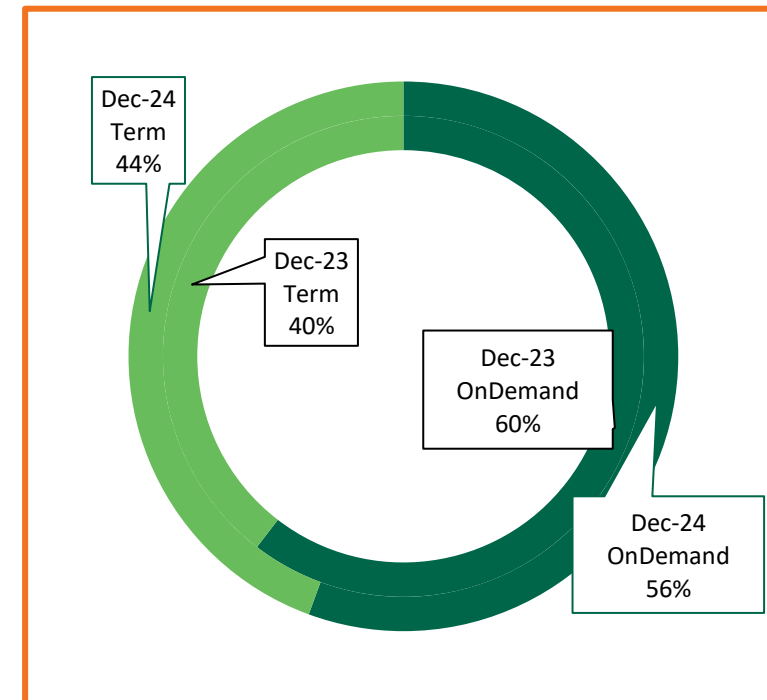
# Half a billion euros of new deposits - new products and better interest rate proposition



+€228m deposits in 4Q, >60% in overnight



Deposit mix at 56/44

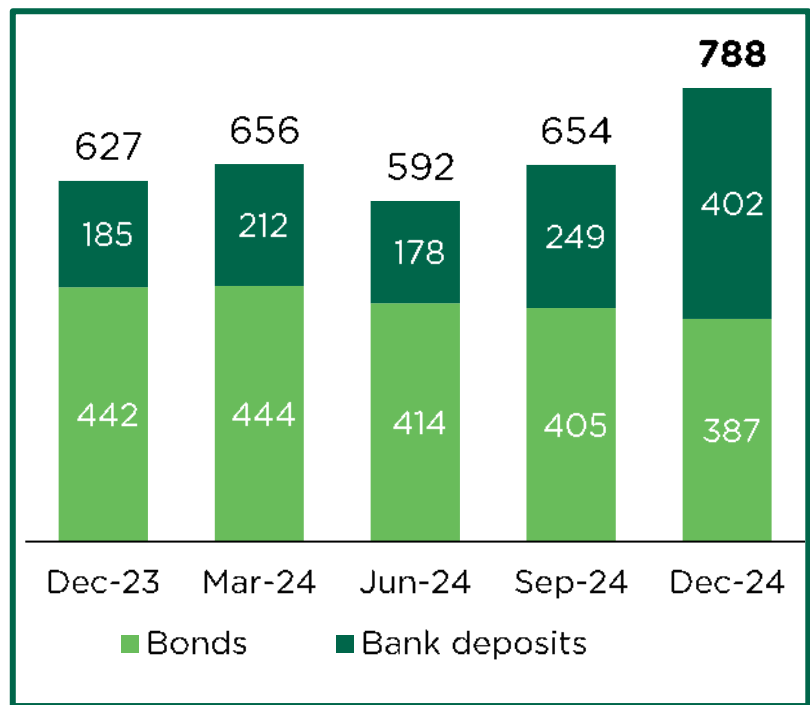


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# Boost in liquidity position, driving ratios up



+30% of liquid assets – higher liquidity ratios

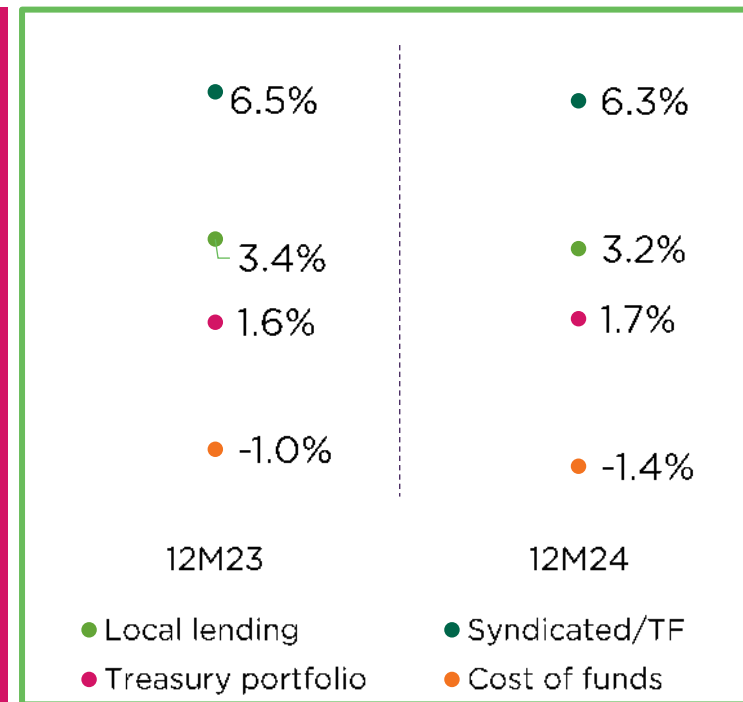


**LCR @ 197%**

**LTD @ 94%**



Higher COF compressing interest margins

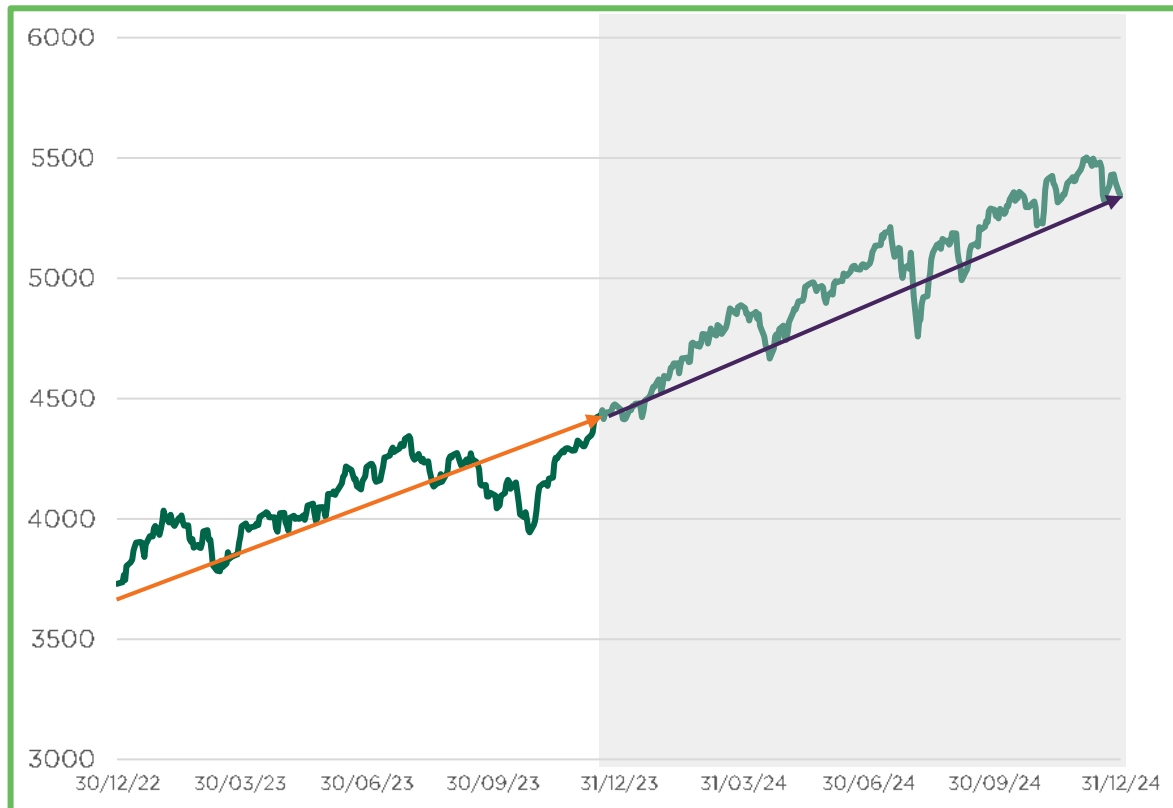


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# Equities delivering strongly in Y2024, modest bonds' results

## Equities

FTSE All-World 100% Hedged to EUR TRI  
Jan-2023 to Dec-2024



## Bonds

Bloomberg Global-Aggregate TRI Value Hedged  
Jan-2023 to Dec-2024



# Group returns reflecting market performance

**APS Ethical Adventurous Fund\*\***  
(previously APS Global Equity Fund)

Y2024 **+12.9.2%** return (Y2023 +17.6%)

**APS Diversified Bond Fund\***

Y2024 **+3.9%** return (Y2023 +5.8%)

**APS Ethical Cautious Fund\*\***  
(previously APS Ethical Fund)

Y2024 **+2.5%** return (Y2023 +8.0%)

**APS Income Fund\*\***

Y2024 **+2.8%** return (Y2023 +1.3%)

**APS Ethical Balanced Fund\*\***

Y2024 **-2.3%** return (launched in 4Q24)



	APS % holding	Y2023	Y2024
ReAPS*	100.0	0.1	0.1
Ethical Adventurous Fund**	31.7	0.8	0.7
Ethical Cautious Fund**	0.1	0.1	-
Ethical Balanced Fund**	32.3	-	(0.1)
Diversified Bond Fund*	70.3	2.6	2.0
Income Fund**	9.9	0.1	0.2
IVALIFE**	25.0	(0.1)	-
		<b>3.6</b>	<b>2.9</b>

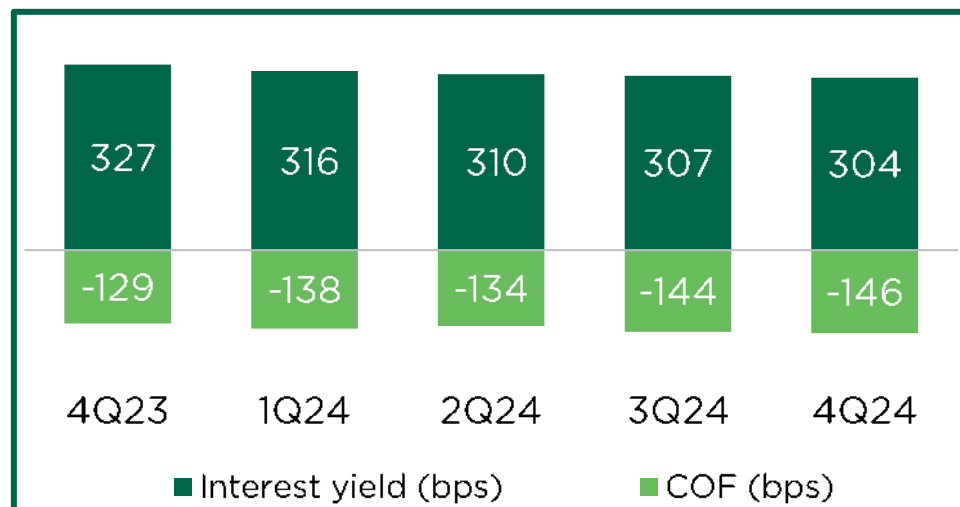
\*Line-by-line consolidation; \*\*Share of results consolidation

Performance of Accumulator Share Classes for Income and Global Equity Funds and A Accumulator Share Classes for Regular Income Ethical and Diversified Bond Funds

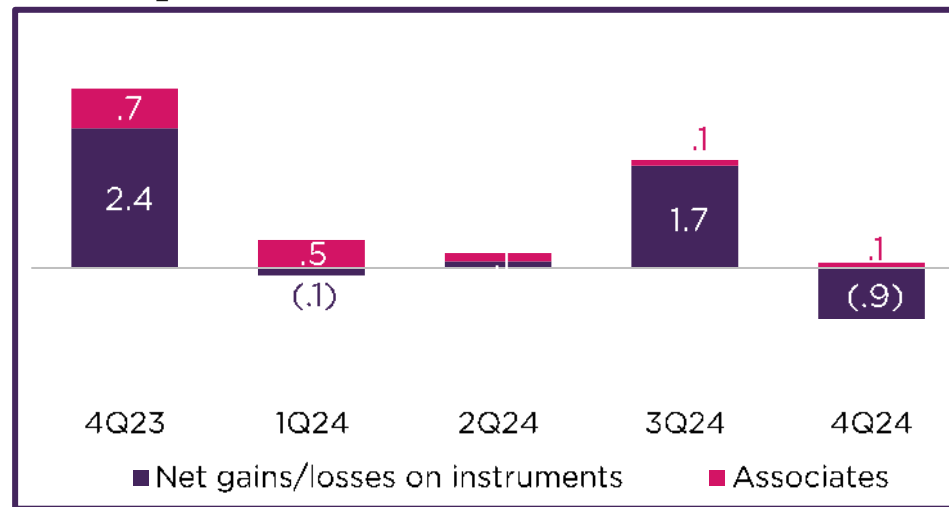
# Higher revenue from investment services, FX & cards offsetting lower NIM

	Y2023	Y2024	12M '24 vs 12M '23	4Q '24 vs 3Q '24
<b>NII</b>	73.6	65.5	▼ -11% YoY	▲ +3% QoQ
<b>Advances &amp; payment fees</b>	5.9	5.7	▼ -5% YoY	▲ +43% QoQ
<b>Investments &amp; insurance fees</b>	3.9	4.7	▲ +20% YoY	▲ +7% QoQ
<b>FX</b>	0.2	1.4	▲ +100% YoY	▲ +100% QoQ
<b>Cards</b>	0.9	1.2	▲ +26% YoY	▲ +7% QoQ

Net interest margin



Trading results and associates



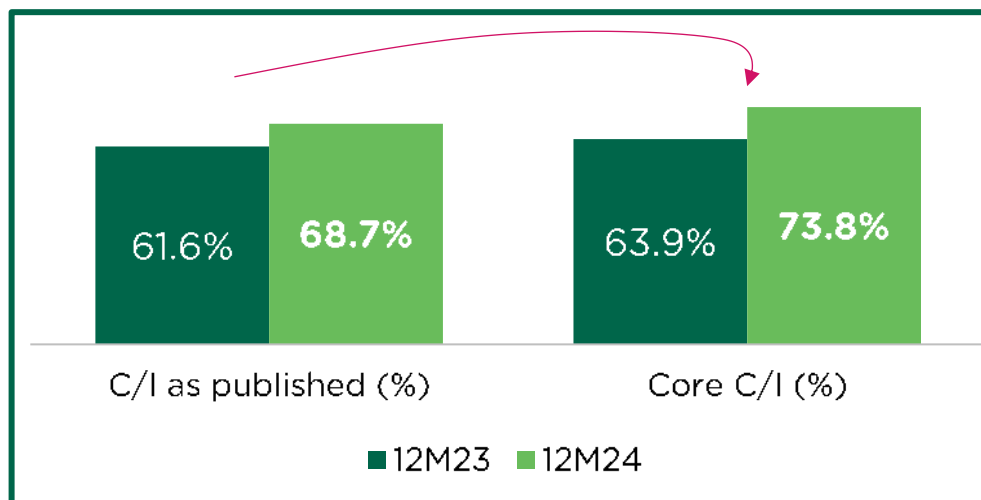
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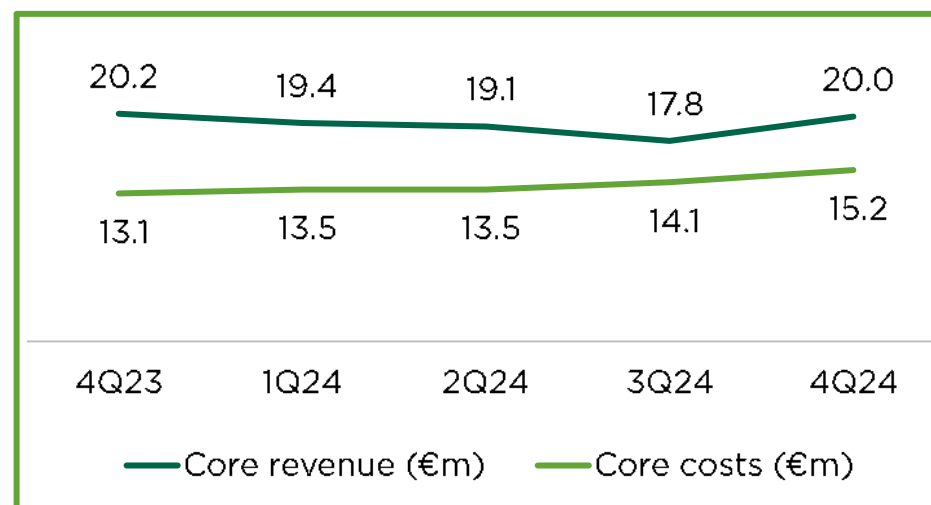
# Transforming the bank through more investment in tech & people

	Y2023	Y2024	12M '24 vs 12M '23	4Q '24 vs 3Q '24
<b>Staff costs</b>	28.6	29.9	▲ +4% YoY	▲ +5% QoQ
<b>Admin costs</b>	18.5	21.5	▲ +16% YoY	▲ +18% QoQ
<b>Depreciation/Amortisation</b>	5.5	5.5	▬ 0% YoY	▬ 0% QoQ

Cost-to-income ratio

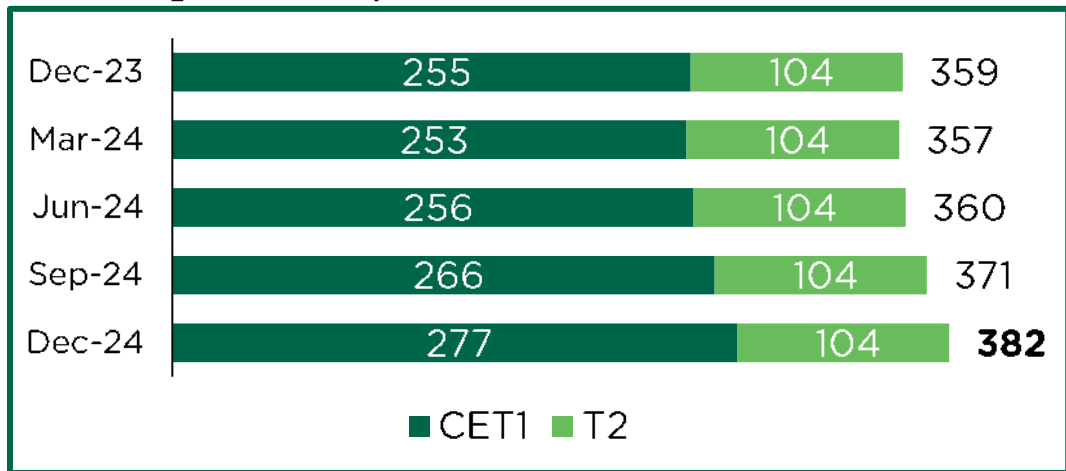


Jaws ratio

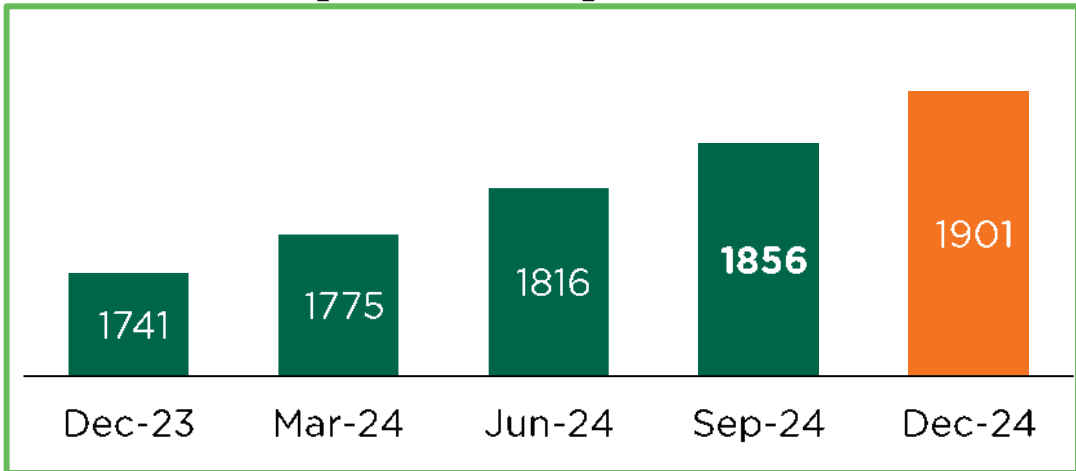


# Strengthening of capital base on healthy capital & MREL ratios

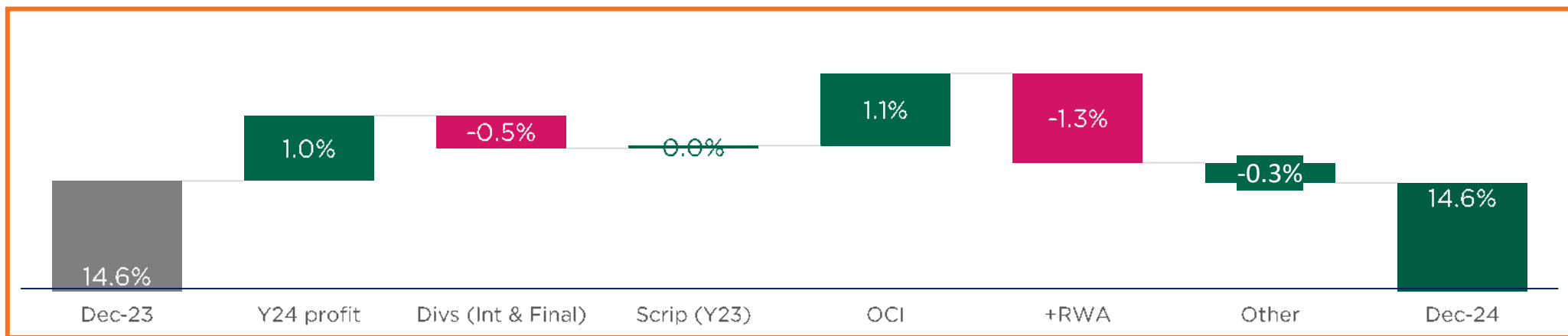
Growing CET1 capital



RWA reflecting loan book growth



Flat CET1 capital growing on profit retention and OCI, consumed by RWA

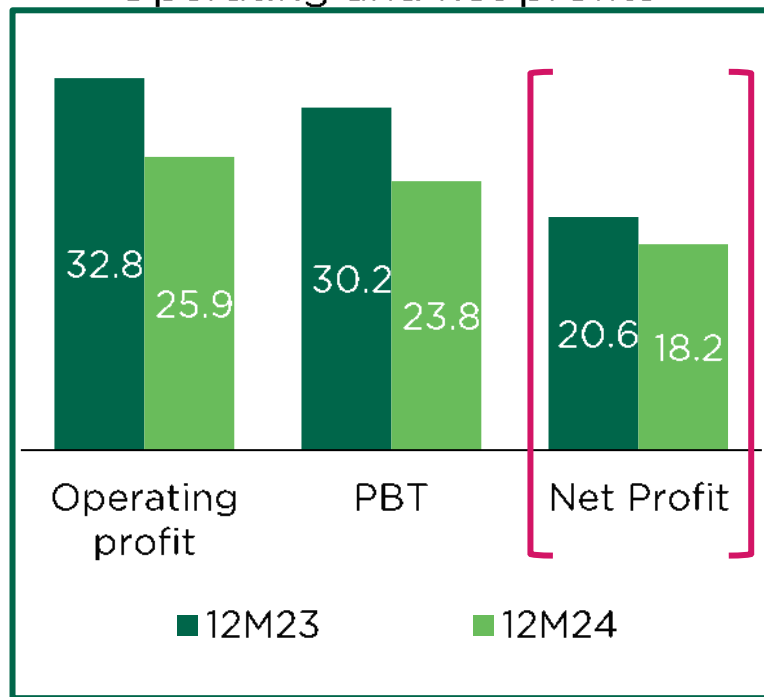


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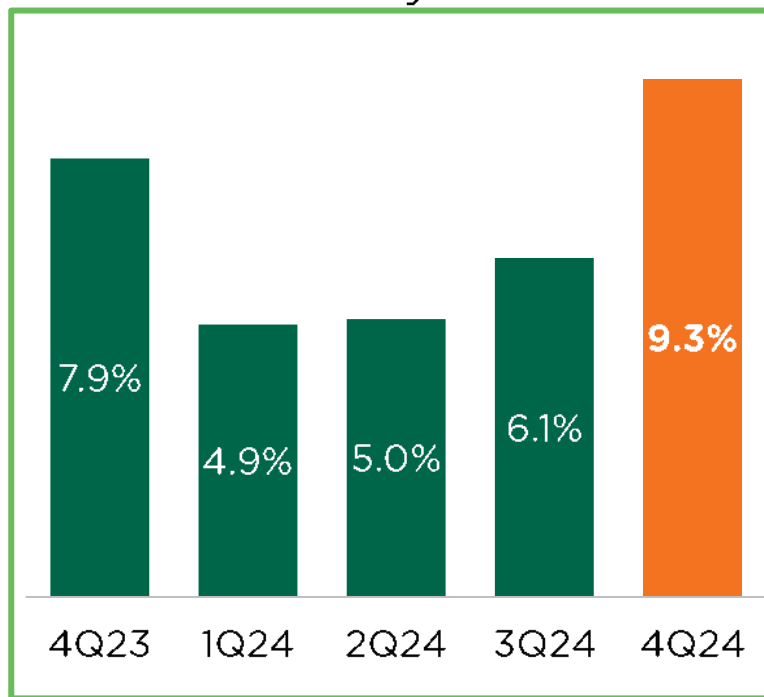
# Our commitment to the community paves the way for further growth, highest dividend pay-out



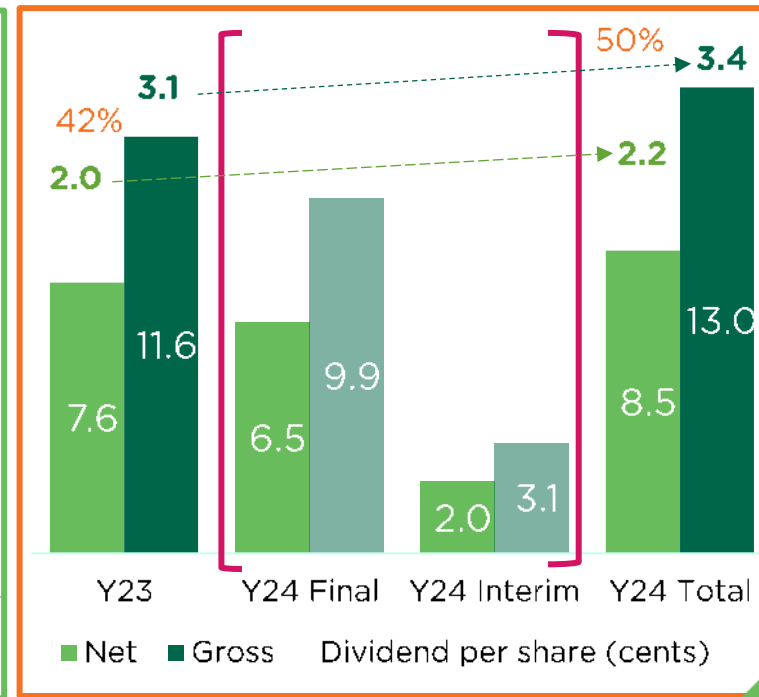
Operating and net profits



Quarterly ROAE



Dividend



# Q&A Session



# Market Briefing

