



APS BANK PLC – FACT SHEET

ISSUANCE OF NEW SHARES

KEY DETAILS

Company:	APS Bank plc ("APS" or the "Bank")	Listing:	Official List, Malta Stock Exchange
Amount of Ordinary Shares in Issue:	249,715,661	Amount of New Ordinary Shares being Issued:	110,000,000 ^{*1}
Offer Price:	€0.62 per share	Market Capitalisation:	€223 million ^{*2}
Earnings per Share:	€0.0586 ^{*3}	Price-to-Earnings Ratio:	10.6 times
Dividend per Share:	€0.0120 ^{*3}	Net Dividend Yield:	1.94%
Book Value per Share:	€0.8097 ^{*3}	Price-to-NAV:	0.77 times
Minimum Subscription Amount:	1,000 shares (equivalent to €620)	Offer Period:	3 June 2022 to 17 June 2022
Expected Listing Date:	30 June 2022	Expected Commencement of Trading Date:	1 July 2022

^{*1} Including over-allotment option of 10 million shares.

^{*2} Post-money and including over-allotment option.

^{*3} For the 2021 financial year, based on a total of 249,715,661 shares.

Rizzo, Farrugia & Co. (Stockbrokers) Ltd is acting as Joint Sponsor and Manager to APS Bank plc.

ABOUT APS

APS Bank plc is a well-established community bank whose major shareholders are the Archdiocese of Malta (with an indirect stake of 79.44%) and the Diocese of Gozo (18.2%). The Bank offers a wide range of personal and corporate banking, transaction and credit facilities as well as investment solutions mainly through a network of 11 branches located across Malta and Gozo. As at the end of 2021, the Bank had total assets of just under €2.8 billion and shareholders' funds of €202.2 million. APS is thus the fourth largest financial institution in Malta by total assets and the third largest in terms of deposits held by Maltese residents. In January 2020, APS was classified by the Central Bank of Malta and the Malta Financial Services Authority as an 'Other Systemically Important Institution' ("O-SII"), thus requiring the Bank to hold additional capital buffers due to its systemic importance to Malta's financial stability and economy.

The issue of new shares amounting to circa €66 million is the last phase of a four-year plan rolled out in 2019 aimed at fuelling the Bank's growth objectives within the framework of regulatory and capital requirements. Indeed, as part of this capital development plan, in 2019 APS raised €13 million by way of a rights issue whilst in 2020 the Bank successfully issued €55 million in subordinated bonds which are listed on the Regulated Main Market of the Malta Stock Exchange.

REASON FOR THE OFFER & USE OF PROCEEDS

The net proceeds from the share issue, estimated at €65.3 million after issuance costs, will constitute an integral part of the Bank's capital plan to further strengthen its CET 1 capital, and also enable APS achieve its strategic objectives whilst ensuring compliance with regulatory capital requirements. The share offer does not constitute a sale of shares from existing shareholders.

OWNERSHIP STRUCTURE

To-date, APS is mainly owned by the Archdiocese of Malta (through AROM Holdings Ltd) and the Diocese of Gozo. The new shareholding structure post-IPO is expected to be as follows:

	No. of Ordinary Shares pre-IPO	% of Ordinary Share Capital pre-IPO	No. of Ordinary Shares post-IPO	% of Ordinary Share Capital post-IPO ¹
Archdiocese of Malta	198,367,765	79.44%	198,367,765	55.15%
Diocese of Gozo	45,449,032	18.20%	45,449,032	12.63%
Metropolitan Cathedral Chapter	5,831,889	2.33%	5,831,889	1.62%
Abbey Holdings Limited	66,975	0.03%	66,975	0.02%
General Public	Nil	Nil	110,000,000 ¹	30.58%
Total	249,715,661		359,715,661	

¹ Including Over-Allotment Option.

**LOCK-IN ARRANGEMENT**

Subject to a number of conditions as explained in Section 9.2 – 'Rights attaching to the New Shares' of the Prospectus, the Archdiocese of Malta (through AROM Holdings Limited) and the Diocese of Gozo have undertaken not to offer, sell, grant any option, right or warrant to purchase or otherwise transfer, assign or dispose of, any of the shares which they hold in APS for a period of 24 months from the date when the shares are admitted to listing on the Official List of the Malta Stock Exchange.

PLAN OF DISTRIBUTION

Pre-Allocation Agreements: An amount of 69,681,981 shares (€41.4 million) has been reserved for subscription by Authorised Intermediaries through Pre-Allocation Agreements.

Preferred Applicants and the general public: The remaining amount of 40,318,019 shares (€25 million) is available for subscription during the offer period that closes on 17 June 2022 or earlier by:

- (i) 'Preferred Applicants' – namely APS bondholders as at close of trading on 19 May 2022 and Bank employees.
- (ii) The general public.

DIVIDEND POLICY

APS intends to adopt a dividend policy that prudently balances the payout to shareholders and the need for the Bank to retain capital with a view of maintaining healthy solvency and liquidity ratios to support future growth. The payments of any dividend will depend upon, among other factors, the Bank's capital requirements, the profits available for distribution for the relevant year, the Bank's growth strategy, and its overall view on the prevailing market outlook, general economic conditions, and any regulatory restrictions that may be imposed by supervisory authorities.

The Bank is expecting to distribute dividends that do not exceed half of its annual profits. However, for the financial years ending 31 December 2022, 2023, and 2024, it is the Bank's intention to distribute one-third of its post-tax profits which would translate into net dividend yields of between 2.1% and 2.8% as illustrated below. In the spirit of balancing shareholders' returns with internal capital generation and regulatory requirements, APS may consider paying dividends by way of scrip, which essentially means providing the option to shareholders to receive the dividend in either cash or through the issue of new shares.

	FY2022 to FY2024
Gross Dividend Yield	Between 3.3% and 4.3%
Net Dividend Yield	Between 2.1% and 2.8%
Net Dividend per Share	Between €0.0133 and €0.0173
Payout Ratio	33.33%
Dividend for the Year	Between €4.8 million and €6.2 million

RISK FACTORS

The value of investments may increase as well as decrease and past performance is not an indication of future performance. APS is subject to a number of risks pertaining to the nature of its business. Prospective investors are urged to read the 'Risk Factors' found in the Prospectus dated 24 May 2022, copies of which are available by email upon request or from our website at <http://rizzofarrugia.com>.

APPLICATION PROCEDURE

Prospective investors are kindly asked to complete our 'Application Form' which must be returned to us at the earliest together with a duly completed and signed 'Assessment & Confirmation Form'. **Applications must be for a minimum of 1,000 shares (equivalent to €620). All application forms must be accompanied by the appropriate payment, either by cheque in EUR payable to 'Rizzo, Farrugia & Co (Stockbrokers) Ltd – Clients' a/c' or credited into either one of our EUR denominated Clients' Accounts as detailed below:**

	HSBC Bank Malta plc	Bank of Valletta plc
EUR A/C No	006 050041 004	400 135 62906
IBAN	MT46 MMEB 4406 0000 0000 0605 0041 004	MT18 VALL 2201 3000 0000 400 135 62906
SWIFT CODE	MMEB MTMT	VALL MTMT

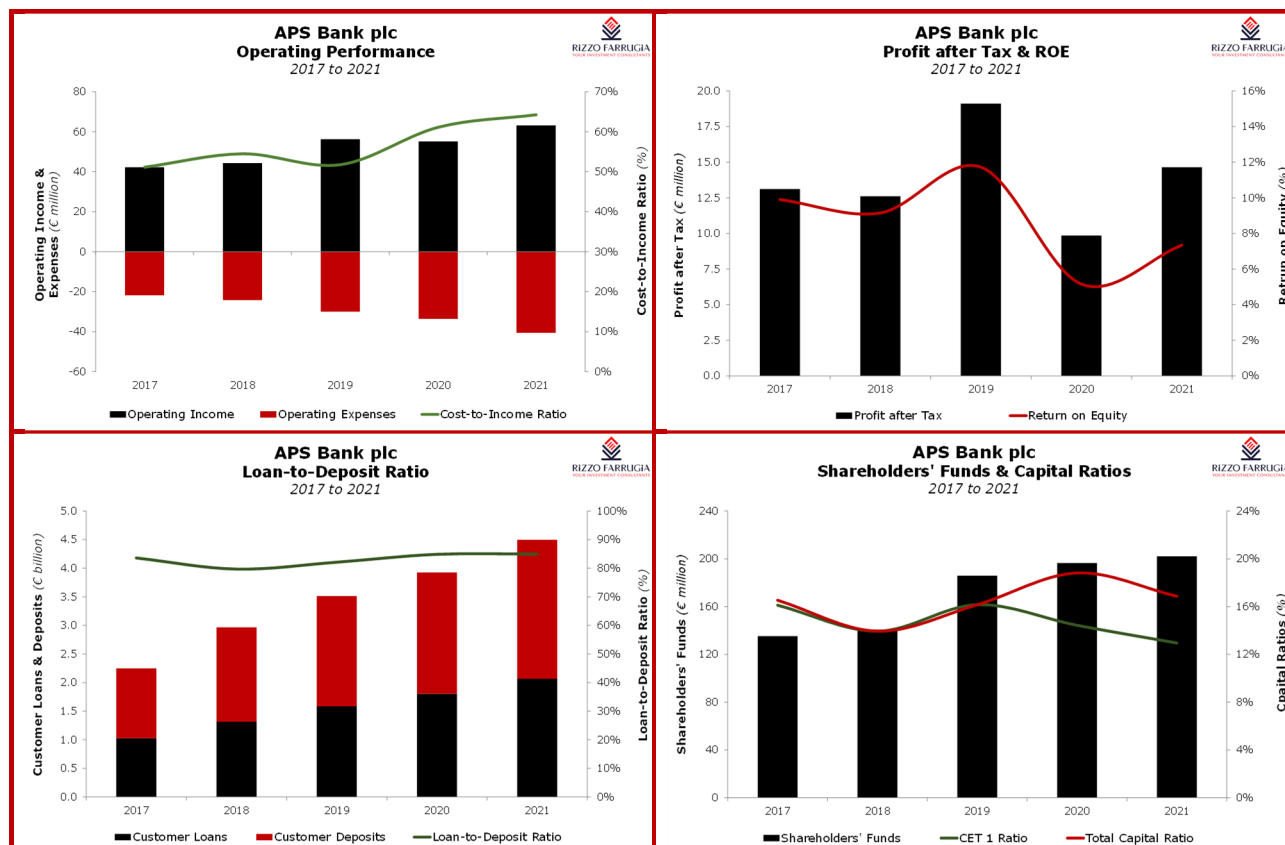


INITIAL PUBLIC OFFERING

26 May 2022

KEY FINANCIAL HIGHLIGHTS & METRICS

	2017	2018	2019	2020	2021	
Net Interest Income [€000]	32,804	37,814	44,642	48,846	55,362	
Non-Interest Income [€000]	9,392	6,500	11,655	6,298	7,781	
Total Operating Income [€000]	42,196	44,314	56,297	55,144	63,143	
Operating Costs [€000]	(21,809)	(24,170)	29,970)	(33,551)	(40,584)	
Operating Profit [€000]	20,387	20,144	26,327	21,593	22,559	
Share of Results of Associates [€000]	441	38	1,585	(258)	21	
Net Impairment (Charge)/Reversal [€000]	(2,470)	(1,555)	(1,074)	(5,538)	1,488	
Profit before Tax [€000]	18,358	18,627	26,838	15,797	24,068	
Tax Charge [€000]	(5,250)	(6,043)	(7,268)	(5,707)	(8,967)	
Non-Controlling Interest – (Profit)/Loss [€000]	2	26	(454)	(237)	(463)	
Net Profit [€000]	13,110	12,610	19,116	9,853	14,638	
Customer Loans [€000,000]	1,025	1,315	1,584	1,802	2,066	
Financial Assets & Investments [€000,000]	291	289	280	367	390	
Cash, T-Bills & Balances with the CBM [€000,000]	90	175	166	108	208	
Loans & Advances to Banks [€000,000]	33	50	56	51	32	
Total Assets [€000,000]	1,496	1,891	2,169	2,421	2,795	
Customer Deposits [€000,000]	1,226	1,650	1,929	2,123	2,432	
Risk-Weighted Assets [€000,000]	762	939	1,108	1,244	1,397	
Shareholders' Funds [€000,000]	135	140	186	196	202	
Earnings per Share [€]	(Net Profit / Total N° of Shares in Issue)	0.0569	0.0547	0.0768	0.0396	0.0586
Net Asset Value per Share [€]	(Shareholders' Funds / Total N° of Shares in Issue)	0.5872	0.6087	0.7465	0.7887	0.8097
Net Dividend per Share [€]	(Net Dividend / Total N° of Shares in Issue)	0.0033	0.0099	0.0052	0.0096	0.0120
Payout Ratio [%]	(Net Dividend per Share / Earnings per Share)	5.81	18.0	6.77	24.4	20.5
Net Interest Margin [%]	(Net Interest Income + Dividend Income / Average Interest Income Producing Assets)	2.47	2.35	2.29	2.22	2.22
Cost-to-Income Ratio [%]	(Operating Costs / Operating Income + Share of Results of Associates)	51.2	54.5	51.8	61.1	64.3
Return on Equity [%]	(Net Profit / Average Shareholders' Equity)	9.91	9.15	11.7	5.15	7.35
Return on Assets [%]	(Profit after Tax / Average Assets)	0.94	0.74	0.96	0.44	0.58
Loan-to-Deposit Ratio [%]	(Customer Loans / Customer Deposits)	83.6	79.7	82.1	84.9	85.0
Non-Performing Loan Ratio [%]	(Exposures in Default / Gross Customer Loans)	4.85	3.78	2.70	2.60	3.40
Common Equity Tier I Ratio [%]	(CET I Capital / Risk-Weighted Assets)	16.1	13.9	16.2	14.4	13.0
Capital Adequacy Ratio [%]	(Total Own Funds / Risk-Weighted Assets)	16.5	13.9	16.2	18.8	16.9
Leverage Ratio [Times]	(Average Assets / Average Equity)	10.5	12.2	12.2	11.5	12.2





Disclaimer

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