Dr Gordon Cordina

Chairman

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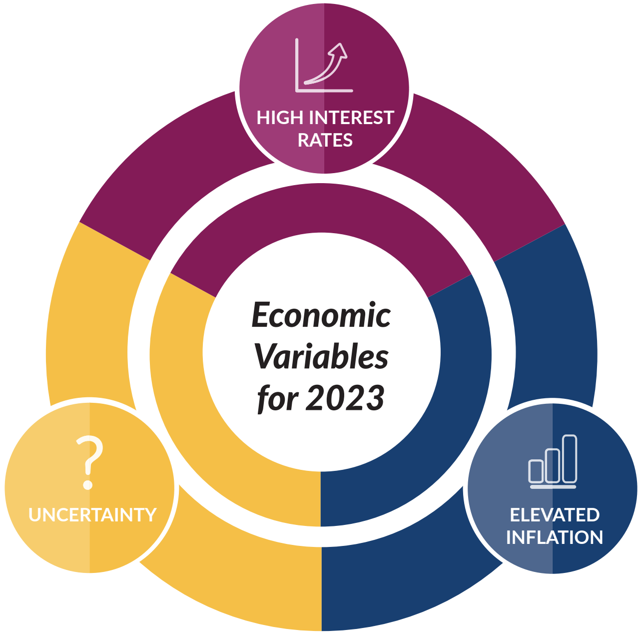
Dr Gordon Cordina is a leading economist in the Maltese islands. He has professional experience spanning 25 years, covering banking, policy-making, academia and private sector consultancy. He serves as Chairman of the Board of Directors, the ESG Committee, and the Nominations and Remuneration Committee and is a member of the Risk Committee and the Compliance and Anti-Financial Crime Committee.

Dr Cordina is a graduate of the University of Cambridge and the University of Malta. His main area of academic interest is the growth and macroeconomic dynamics facing economies that are prone to heightened risks.

Dr Cordina has several years of Board and Risk Committee experience in major financial institutions in Malta, amongst which at Bank of Valletta p.l.c., served as Manager of the Research Department of the Central Bank of Malta, Director General of the National Statistics Office of Malta, Head of the Economics Department of the University of Malta and Economic Advisor to the Malta Council for Economic and Social Development. Through the private consultancy firm he co-founded in 2006, he is involved in a number of local and international research projects and consultancy assignments with institutions including the EU Commission, NGOs and private sector entities. Dr Cordina is also a visiting senior lecturer at the University of Malta.

Dr Cordina was appointed Chairman of the Bank of Valletta p.l.c. in October 2020, of MAPFRE MSV Life in September 2021 and Director of MAPFRE Middlesea in September 2022.

Chairman's statement



Three economic variables defined the global economy in 2023: high interest rates, elevated inflation, and uncertainty. Despite these headwinds, the Maltese economy continued to grow at a sustained pace. The resilience of the Maltese economy augurs well for the future, but from a macroeconomic perspective, attention is needed to safeguard fiscal sustainability, while curbing price inflation to avoid it becoming persistent. From an overall sustainability angle, environmental, climate and quality of life issues are paramount.

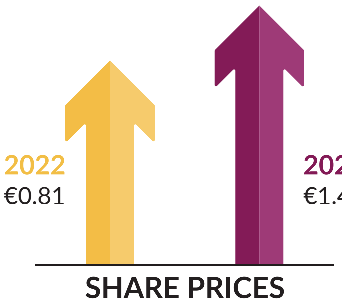
The European Central Bank continued with its tightening cycle during 2023, with official interest rates raised by a further 2 percentage points, cumulating to an unprecedented increase of 4.5 percentage points within a period of 18 months. It is more probable than not that an easing of monetary policy could start during 2024, when considering that inflation across the euro area started to decelerate, and economic activity has generally weakened. However, any eventual unwinding of the tightening cycle is likely to keep interest rates at levels which are higher than those which prevailed throughout the decade-long period of exceptionally accommodative monetary policy. Still, the ongoing international geopolitical turmoil fosters uncertainty, with ambiguous effects on inflation and posing downside risks on economic activity, thus creating hurdles in the path towards the normalisation of monetary conditions.

Within this backdrop, at the end of 2023, the size of BOV's balance sheet exceeded €14 billion, accounting for almost half of the total assets of Malta's core domestic banks. BOV's market share for 2023 was slightly above 40% with respect to corporate loans and household deposits, and slightly less in the case of home loans. These statistics clearly highlight the systemic importance of BOV, making it one of the three banks in Malta which are directly supervised by the European Central Bank. Apart from onerous obligations and expectations from a regulatory perspective, this systemic relevance places upon BOV significant responsibility vis-à-vis its shareholders, the economy, and society.

The high interest rate environment created by the ECB's tightening of monetary policy presented good opportunities for BOV to optimise the returns from its assets which remained funded by a very strong deposit base. In 2022, the Bank had taken the decision to affect no passthrough of the ECB's rate hikes to domestic retail lending rates, based on its high deposit to lending ratio. This strategy remained in place in 2023, as this continued to be rational from the Bank's commercial perspective, and provided an important element of stability to business and households alike.

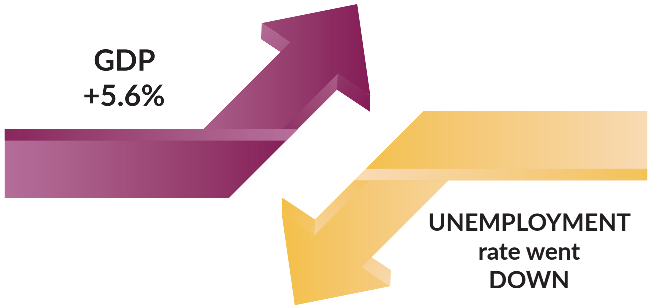
Through this stance, the Bank also aimed at nudging clients to optimise their returns through financial products which are better suited for their needs and thus reduce the country's endemic excessive household liquidity. This permitted BOV to continue offering loans at attractive rates, without compromising its profitability. The Bank's high deposit-to-loan ratio offers ample buffers and comfort that this strategy remains adequate, profitable, and prudent for the foreseeable future.

The Group's total profits before tax amounted to €251.6 million in 2023, representing a very healthy pre-tax return on equity of 21%. To sustain profitability over the longer term, the Bank has been actively restructuring its balance sheet, through the redeployment of treasury funds into longer term assets, and a productive expansion in good-quality credit. The aim is to lock in the advantageous rates offered by the current high interest rate environment, thereby supporting net interest income over the long term. This makes the Bank less exposed to cyclical fluctuations in rates and thus generate a more stable positive performance over time. In turn, this can ensure that every year, sufficient internal financing is available to strengthen the capital base to support future growth, while providing a predictable and stable source of dividends for our shareholders.



The resumption of a dividend payment, supported by the safety offered by the Bank's strong capitalisation and liquidity, was a key accomplishment in 2023. This was a tangible sign that the Bank is moving in the right direction, and such confidence no doubt helped lift the share price, which ended 2023 at €1.42, significantly higher than €0.81 at the end of 2022.

The country's interest rate stability, where BOV played a leadership role, together with the ongoing availability of credit to both households and corporates were factors which supported the dynamism of the Maltese economy throughout the year. Mortgage rates offered in Malta as at the end of 2023 were the lowest in the euro area, as were average corporate lending rates. Bank clients in Malta have thus not experienced the same interest rate shock as in the rest of the euro area.



In 2023, Malta's real GDP grew by 5.6%, which was higher than original expectations, demonstrating the strong economic momentum despite the headwinds from abroad. Growth was broad-based, with both industry and services performing strongly, the latter underpinned by a record year for tourism in terms of arrivals. These conditions fuelled further growth in jobs and brought the unemployment rate down to historically low levels, factors which reinforced confidence and supported household consumption. Against this background, inflationary pressures in Malta started to abate during the second half of the year, but remained above the country's normal readings, reflecting sustained demand, tight labour markets and other cost push pressures.

The available economic forecasts for Malta suggest that over the next years, economic growth will converge towards the country's long-term average, in the region of 4% per annum, which remains higher than the euro area average. The economic outlook thus remains overall benign, auguring well for BOV's future financial performance.

The degree of fiscal assistance mainly resulting from the pandemic has been instrumental in mitigating shocks originating from abroad. Such assistance is planned to continue over the coming years, reflecting the Government's stated intention to extend its policy to continue absorbing the international energy price shock via subsidies. As a result, the Government is anticipating that the fiscal deficit will remain above 3% of GDP for some years, although the planned gradual reduction over time should ensure that the European and national fiscal rules would be still respected. On a positive note, the nominal expansion in GDP is expected to preserve Malta's public debt ratio within 60% of GDP, which is much lower than the euro area average. Experience has shown that a low public debt ratio allows the Government leeway to step in decisively in the wake of large shocks. In a very small open economy, it makes sense for the Government as well as the financial sector to dampen temporary external shocks, as this stability can be highly conducive to long-term economic wellbeing.

In 2023, the Board approved BOV's updated strategy for the 2024-2026 period. Among its chief priorities, the strategy emphasises Environmental, Social and Governance (ESG) considerations. The Bank aspires to lead Malta's transformation in this area, not only in sync with more onerous future regulatory requirements, but even more ambitiously, to help steer behaviour along a sustainable path. Placing ESG at the core of our operations can ensure that the Bank becomes increasingly focused on providing the right products and incentives to improve wellbeing in a sustainable way. The Bank has already started, and will continue placing greater emphasis, on green credit.

The Bank's activities in the field of Corporate Social Responsibility (CSR) also remain a priority. BOV wants to be a compliant and responsible corporate citizen. The Bank will remain at the forefront in the fight against financial crime, building on the strong drive and investment which was necessary to help Malta come out of the FATF's grey listing in 2022. In turn, the deployment of technology across the Bank is considered key to improve productivity, while meeting the expectations of clients in a more tech savvy world. Striving for higher productivity is a win-win strategy, as it allows higher remuneration but at the same time better cost control, thus benefiting all stakeholders.

In conclusion, 2023 has been a very positive year for Bank of Valletta Group, which registered healthy profits in a situation of positive interest rates, while no longer shackled by legacy impediments and risks. I thank our shareholders for their continued support, the executive team and staff for their valuable work and commitment to improve the Bank's performance during 2023. In 2024, BOV will be celebrating its 50th anniversary and as we reach this milestone, our ambition is that as an institution we remain vibrant, relevant, competitive, and dynamic. Our polar star is to be a leader and innovator in the financial sector and a catalyst for positive change.

Kenneth Farrugia

Director & CEO

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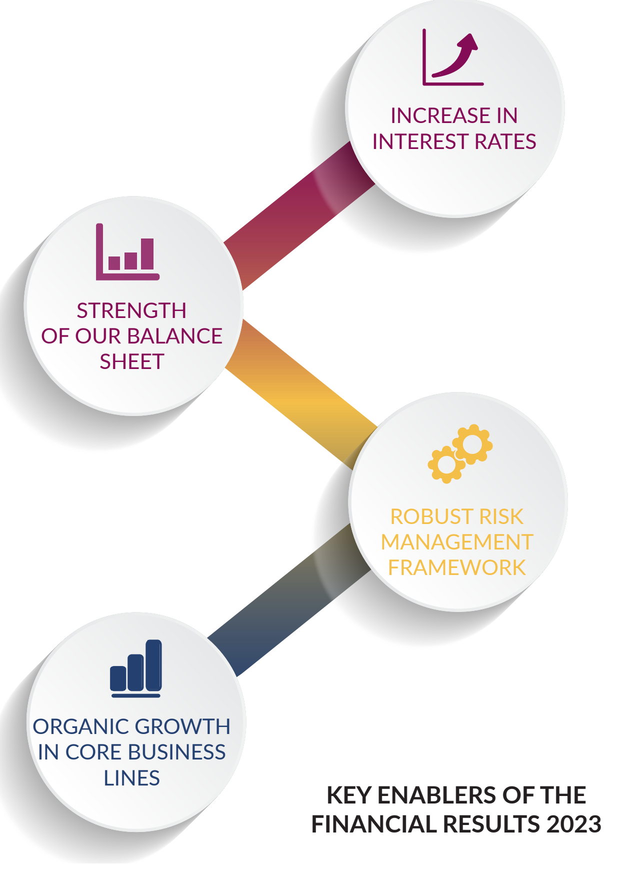
Kenneth Farrugia is the Chief Executive Officer of Bank of Valletta Group. He sits on the Bank's Board of Directors, chairs the Executive Committee and is a member of several management committees. Mr Farrugia is also a director on the Board of Directors of BOV Fund Services Limited, BOV Asset Management Limited and MAPFRE MSV Life plc.

Mr Farrugia began his career at Bank of Valletta in 1985 and has occupied various executive positions covering the Bank's asset management, retail banking and credit business areas. Over the course of his career, he has also held various financial services related industry positions, including Chair of the Malta Asset Servicing Association, Board Member of the European Fund and Asset Management Association, Chair of FinanceMalta, Malta's national promotional body for the financial services industry as well as Chair of Malita Investments plc, which is listed on the Malta Stock Exchange.

Kenneth Farrugia is an alumnus of Harvard Business School having completed the General Management Program.

CEO's Commentary



Record results registered over 2023 as we journey from good to great.

Bank of Valletta's financial performance over 2023 was undoubtedly one of the best experienced during its 50-year history, with strong income growth achieved across all the core business lines. These positive results were registered in a backdrop of a high interest rate environment, geopolitical tensions, high inflation, and tightening monetary policies across the euro area which are already referred to in the Chairman's Statement.

The increase in interest rates, strength of our balance sheet, our robust risk management framework, and organic growth in core business lines were all key enablers of the financial results registered during the year. This year's results have in turn further strengthened the Bank's balance sheet position where liquidity and capital ratios remain well above regulatory requirements.

Before I deepen my review of our performance achieved in 2023, I want to thank my Executive Management Team, as well as our Board of Directors for the unwavering support and commitment that they have extended during the year. I equally wish to recognise the circa 2300 employees, with whom we, as a team, strive every day to fulfil our purpose and support our clients in their banking and financial services requirements.

I would also like to extend my sincere appreciation to each one of our customers whose trust and loyalty are pivotal to our achievements. As we progress together, I want to assure you that your welfare will always be at the forefront of everything we do and is invariably our top priority. We are committed in aiding you in your financial journey, whether you are meeting your day-to-day service exigencies, saving for your retirement, buying your first or second home or planning for, or embarking on a new business venture.

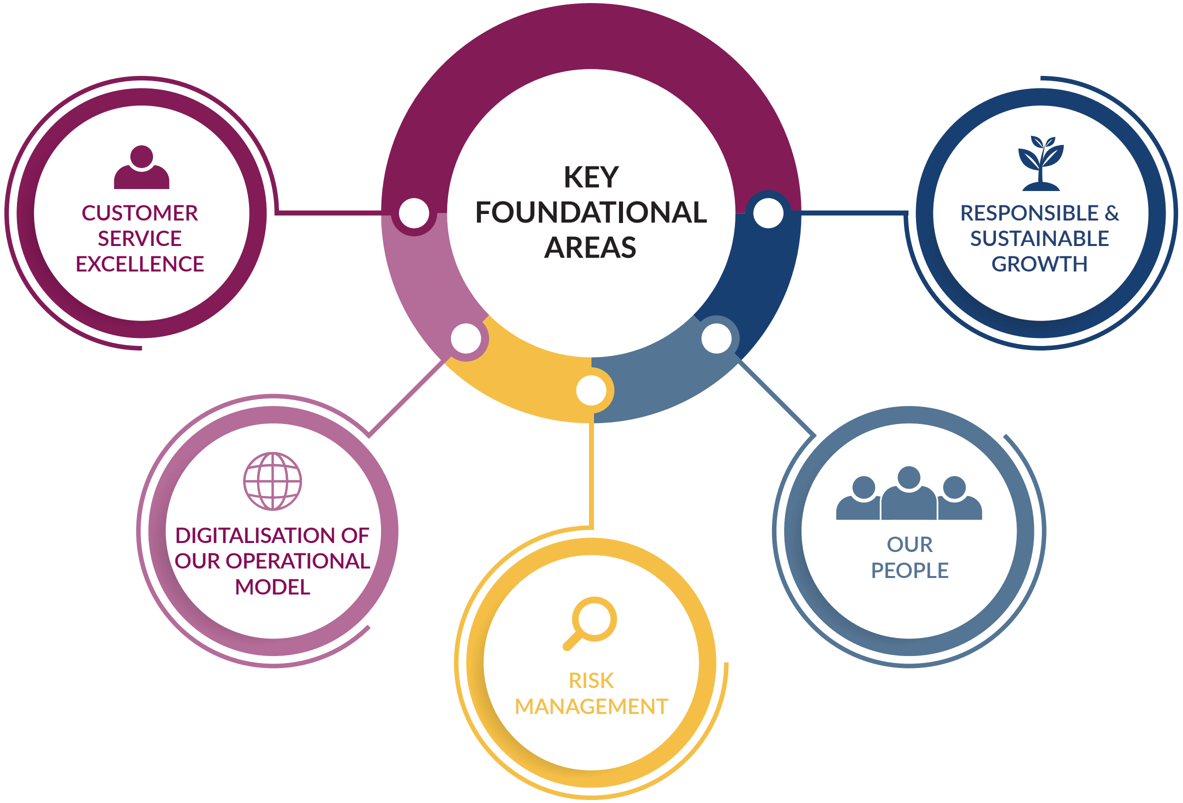
During this year, we have strategically and operationally focused on a number of key foundational areas that have markedly contributed to the results achieved this year. A brief summary follows.

Deeper Insights at 2023

Customer Service Excellence: Aiming for New Heights

Over this year we have continued to intensify our commitment to improve and strengthen the delivery of a high-quality service experience to our customers. By focusing on defined target markets, optimising our service channels and developing our product suite, the Bank's team managed to drive innovation and deliver growth across both our commercial and personal banking arenas.

We firmly recognise that the banking landscape is evolving rapidly, shaped by technological advancements, shifting consumer expectations, and economic trends. In an era where financial services are increasingly standardised, we recognise the significance of cultivating genuine relationships with our customers. On this front, the Bank has launched various initiatives that have strengthened the service experience of our customers as measured by the various customer surveys which are monitored very closely. On the service channels front, the Bank introduced extended opening hours for our customers in select branches as well as preferred opening times for our elderly clients. We have also registered marked improvements at our Customer Service Centre following various initiatives undertaken by the management team. Insofar as our commercial business is concerned, we have managed to record very strong growth in our Corporate, SME and Trade Finance Business on the back of streamlined processes and stronger engagement with our customers.



Digitalisation of our Operational Model: Prepared for the Present and the Future

Our drive to achieve operational excellence is allowing the Bank to reduce costs by eliminating inefficiencies and at the same time deliver improvements in our customer experience. During this year, as part of our Business Process Re-Engineering program, we have managed to reduce various operational risks opting for faster and more efficient ways of delivering services to our customers or executing internal processes. The launch of a digital channel which allowed our customers to update the information and documentation held with the Bank from the comfort of their home was very well received as were various other initiatives such as the automated appointment booking system, the introduction of a chatbot on our digital channel, the work carried out on the new Bank's website, launch of a new intranet site, and ability to service customers online for their home loan requirements. The improvement in our operational model has in turn also allowed us to strengthen our sustainability by reducing utility costs through smart lighting and building management systems, as well as initiatives to reduce paper usage as we take forward an organisation-wide paperless project.

The digitalisation of our operational model remains a very high priority for the Bank and various initiatives are in progress to ensure that across our physical, digital and hybrid channels we deliver the service experience expected by our customers and at the same time enable our customers to self service their requirements.

Risk Management: Ensuring Responsible and Sustainable Growth

Our strategic and business plans are developed within the context of the Bank's overarching risk appetite framework. Whilst we strive to grow our business, we are equally focused with the same intensity to manage the various risks faced by our organisation ensuring that we integrate risk and opportunity in processing business led applications.

During 2023, we have continued to invest in various platforms to strengthen our risk control framework. This is allowing us to test our resiliency in the event of volatile and uncertain times ensuring the Bank is well prepared from both a liquidity and capital angle bearing in mind the Bank's systemic importance.

When engaging with our clients, we are actively driving the sustainability agenda and supporting them with competitive financing terms for their projects to help them transition to a low carbon economy mindful of the importance of climate and environmental risks. In this area we have intensified our efforts to assess the associated credit risks in our financing business line. Our drive to meet the net zero greenhouse emissions before 2050, has also led us to organise a number of educational sessions with our clients to help us understand their transition plans and identify solutions to support them in the process.

Our People: At the Centre of our Value Proposition

The Bank's longstanding culture of caring for its customers, and the ability to support one another in a connected manner in the process has always set Bank of Valletta apart from other operators in the market. Likewise, our human capital is of critical importance to the Bank and resides at the very centre of our strategy ensuring that our team members can grow and thrive throughout their career.

Retaining talent is core to how our company drives responsible growth, including our commitment to being a great place to work at aiming to position ourselves as Malta's leading onboarding, education and professional development organisation. Apart from the BOV Training Academy to support the learning and development needs of our employees in terms of our consumer and business banking trends and realities, we have over time expanded the program to provide training programs aimed at our support and control functions. Employees can today develop their skills for both their current role or a role they want to pursue in the future.

The training team is focused to ensure that we have a high-class onboarding, reskilling as well as upskilling training experiences ensuring in the process that the organisational culture resides at the very centre of our program focusing on our core values and performance behaviours.

Employee wellness initiatives aimed at supporting our people to handle stress, manage conflicts, adversity and dealing with grief in a positive healthy way has also been a core focus area for our People and Culture Division. The long-term financial wellness of our employees is equally important and we are pleased with the strong participation in the Bank's Voluntary Occupational Retirement Scheme. The Bank has also launched a Diversity and Inclusion program which is being driven by our own employees within our own organisation.

We have also strived in the process to recognise and reward performance with competitive remuneration ensuring in the process that we maintain robust policies and practices that help reinforce equal gender pay. For our executives and management team, the internal and external development programmes in place are allowing us to cultivate their skills and strengthen our succession planning through the identification and development of future leaders.

Responsible and Sustainable Growth: Meeting our ESG Obligations

Another important focus for the Bank continues to be the sustainability aspect which remains at the forefront of our operations. We are driven by a firm understanding of our obligations towards not only the communities we engage with but also future generations. While we acknowledge the current climate and environmental challenges, we firmly believe that these actually are providing us all with a unique opportunity to induce meaningful change for the better.

Apart from the various initiatives that we have undertaken as an organisation to reduce our carbon footprint, we are also helping catalyze efforts at national level by convening various discussion forums focused on driving and accelerating progress on the ESG front. In the process, we have introduced and deployed various green products both on the commercial and personal financing side as well as a suite of sustainable investment solutions for our customers.

Financial performance of the Group

In the year 2023, BOV Group has demonstrated a compelling financial performance generating a profit before tax for the year of €251.6 million compared to €49.1 million registered in 2022, with the latter being restated to take into effect a €357 thousand adjustment related to profits derived from insurance associates following the introduction of IFRS17. This positive performance was attributable to a focused approach both from a revenue and costs perspective, with operating income increasing by more than 50% year on year and costs increasing by a much smaller percentage of 9.5%. This resulted in a solid improvement in terms of the cost to income ratio which was down by 17.8% to 47.8% over the year. The Group's performance in 2022 was affected by the resolution out-of-court of the Deiulemar case which impacted the bottom line by around €103 million. Comparing the year's Profit before tax ('PBT') to the previous adjusted equivalent figure and excluding the effects of the latter settlement (adjusted PBT of €152 million), one notes a 65.5% increase in PBT performance for financial year 2023.

i. Operating Income

BOV Group has experienced a significant increase in operating income primarily due to the enhancement in net interest income for the year 2023. Overall, total operating income amounted to €441.0 million, an increase of €147.6 million or 50.3% over the prior year (2022: €293.4 million).

Net Interest Income

Net Interest Income remained the primary driver of operating income, totalling €352.0 million, a surge of €150.1 million or 74.3% when compared to €201.9 million in the preceding year, reflecting consistent growth in customer lending and proprietary investment portfolios.

There was substantial progress in business banking lending, propelled by a robust increase in volumes and a favourable shift in interest rate differentials. Additionally, home lending yielded consistent returns, albeit at a lower effective interest rate. The Group has capitalised on persistent market opportunities in treasury investments at better yields and within the Bank's appetite. Furthermore, the sustained positive Eurozone interest rates facilitated income generation from liquid assets throughout 2023.

During this financial period there was also a rise in interest expense, primarily resulting from the issuance of the 10% Callable Senior Non-Preferred Notes by the Bank in 4Q 2022 to meet regulatory obligations.

Net Fees and Commissions, Exchange and other revenues

An increase of €1.4 million was registered on Net Fee and Commission income for a total yearly amount of €78.0 million (2022: €76.6 million). Good results were registered on all commission streams related to credit activities, where the Bank achieved a very good performance both on the commercial and retail portfolio. This was counteracted by the discontinuation of high balance fees for corporate clients, reduced income from cheque usage as the Bank continues to transition to more digital channels, as well as reduced income derived from fund management and bancassurance, with the latter two business lines continuing to be negatively impacted by the persistent influence of the high interest rate environment. A decline was also registered in net commissions derived from the card business mainly as a result of narrowing margins driven by high competitive pressures.

Total non-interest income for the year amounted to €89.0 million, marginally down by €2.5 million or 2.7% when compared to prior year (2022: €91.5 million). Such decrease is mainly attributable to a decline of €6 million in trading profits relating to foreign exchange and adverse fair value movements.

ii. Costs

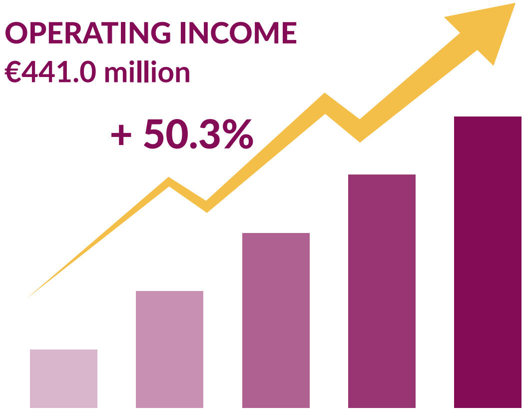
The aggregate expenses excluding strategy related costs for the year totalled €199.9 million (2022: €184.8 million), reflecting an increase of €15.1 million or 8.2% compared to the amounts recorded in 2022. The Group's ongoing pursuit of talent enrichment, enhanced compensation and benefits, continuous investment in technology and the delivery of digital channels, regulatory compliance investments, as well as the effects of inflation all contributed to the sustained growth in operating costs. These rises were partially offset by lower contributions to the Depositor Compensation Scheme.

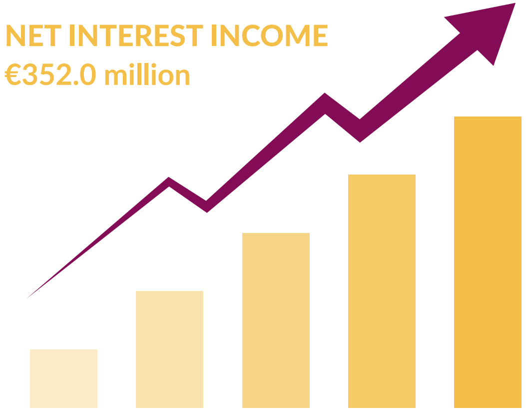
The execution of our strategic initiatives remained swift, and the Bank allocated an additional €11.0 million in investments in 2023 (2022: €7.8 million).

iii. Releases of Credit Provisions

The asset quality of the credit portfolio remains an absolute priority for the Bank with positive yearly variances being registered in the main ratios and with results being in line with the target trends. The BOV Group maintained vigilant oversight over all asset quality metrics with particular attention being placed on the non-performing exposures portfolio ('NPE'). As at 31 December 2023, the NPE ratio stood at 3.1%, down by more than 40bps when compared to the 3.5% outstanding a year earlier, with the decrease amounting to €11.9 million in terms of absolute amounts.

Over the year under consideration, a release of €10.5 million was registered in terms of net Expected Credit Losses ('ECL') (2022: €49.1 million release). The magnitude of this release reflects largely the effects of the Non-Performing Loans ('NPL') sale executed by the Bank in 4Q, which is considered a first in the local banking sector and which resulted in a €17.5 million reversal of allowances, which were previously booked against such exposures. Apart from the NPL sale transaction, the Group incurred a net impairment charge of €7.1 million. The latter was influenced by various factors, including the implementation of the new retail ICRS (explained below), adjustments being derived from the annual model calibration process, as well as shifts in credit portfolio volumes, and collateral coverage. The ECL coverage of the credit impaired assets decreased to 43.9% during the twelve months mainly because of the NPL sale transactions which were highly provided for and which have now been removed from the portfolio (2022: 53.8%). The latter is counteracted by the fact that the NPL vintage has also reduced materially through the removal of such legacy assets.





The main change effected during the year from a credit risk perspective related to the successful implementation of the new internal credit grading model ('ICRS') for the retail portfolio which was introduced in June 2023. This followed the successful deployment of the Commercial Portfolio ICRS which had been rolled out to production in December 2022. The introduction of such risk-based grading models is deemed to be very beneficial from a risk perspective since it allows the Bank to segment its credit portfolio in a more scientific and risk-based manner. Such models have been fully integrated within the Bank's Credit Management Framework architecture and serve as a direct input in the ECL model, with the enhancements directly bolstering the probability of default measurement dimension.

iv. Share of Profit from Associates

The Group's share of profit from insurance associates for the year resulted in a profit of €11.0 million (2022: €2.2 million profit as restated). The Group's profits for the comparative year were adjusted by €357 thousand in share of results from insurance associates, increasing the share of profits as had been reported in the previous year. This outcome is due to the Group's associated companies implementing IFRS 17, an accounting standard that introduced a fresh approach to valuing insurance contracts.

Balance Sheet Position

The Group's Total assets remained practically on the same levels of the previous year at €14.51 billion as at 31 December 2023 (2022: €14.47 billion). Material shifts were noticed between line items especially between balances held with central bank moving to investments and lending, as the Bank seeks to optimise long term returns. Customer deposits continue to be the primary funding source of the Bank with more than half of these relating to retail deposits. At the end of 2023, customer deposits stood at €12.2 billion, marginally lower than the previous year's €12.5 billion and confirming the stickiness of such deposit base. These developments have led to a favourable increase in the Bank's gross loan to deposit ratio from 46.0% in 2022 to 51.7% at the end of 2023, in line with the Bank's strategic objectives.

Sustainable management of excess liquidity was maintained during 2023, with cash and short-term assets decreasing by circa €1 billion, a reduction of around 31% over the 2022 closing position. These funds were utilised to fuel further net growth in the loan book, €511.7 million, followed by further investments in treasury securities.

Investments increased by €786.0 million or 17.2% with the vast majority measured at amortised cost reflecting the Bank's primary business model to hold securities until maturity with a view to collecting interest revenues over the life of the investment. Effective rate of return on treasury investments improved from 0.47% in 2022 to 1.57% in 2023 with the increase mainly driven from securities at amortised cost in local currency.

Net loans and advances to customers as of 31 December 2023 reached €6.1 billion, an increase of nearly 10% when compared with the €5.6 billion of December 2022. Both the commercial and retail business lines registered a very positive year in terms of growth and also in terms of related revenues.

A good part of this growth was attributable to green lending, where the Bank is placing high emphasis by issuing specific products and offering pricing discounts where financing investments are deemed to be sustainable in nature.

The Group's liquidity ratio as at year end stood at 362%, down from 426% as the end of 2022. This drop reflects the decrease in liquid assets year on year as these were transformed into investments yielding a more profitable return. Notwithstanding, the Group's liquidity position remains significantly above the minimum regulatory requirement.

The capital ratios remained strong and above regulatory requirements, with the CET 1 and total capital ratios as at 31 December 2023 of 22.66% (December 2022 21.79%) and 25.94% (December 2022: 25.39%), respectively.

Strategy Update: New Strategic Plan 2024-2026

The year 2023 marked the closing period of the 3-year strategy that the Bank had embarked upon in 2020, when the Board had approved a 3-year strategy that planned to take BOV on a forward-looking transformation journey and the preparation of a new strategic plan for FY 2024-26.

As we draw a close to the current 3-year plan, despite a number of external factors that posed several challenges, such as the Covid pandemic, litigation, Malta's grey listing and the Ukrainian crisis, the Bank managed to continue moving forward with its strategic ambitions related to digitalisation, process simplification, customer centricity and product diversification.

During this period, substantial investments in regulatory and business projects were necessary and these have been implemented together with several other initiatives related to service delivery using the latest techniques to provide low-cost high speed improvements. The Bank has also been re-engineering its processes to deliver service enhancements while providing customers with more efficient alternative channels.

We are pleased to see this resulting in continued migration from traditional to more modern alternative digital channels and digital payments, the latter experiencing double digit percentage increases.

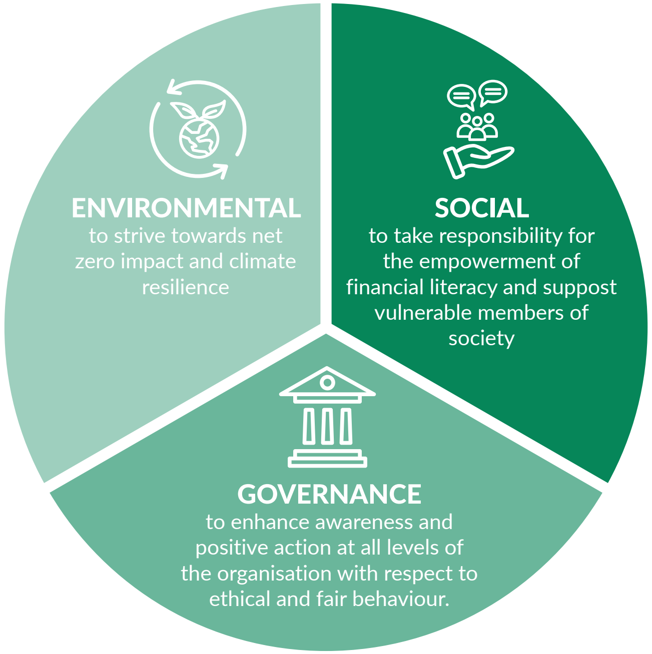
Through digitalisation, we have also seen early signs of benefits in terms of faster growth of the Bank's investment and particularly lending businesses. One such initiative was the launch of the Home Loans digital portal, which has improved customer service delivery while easing the administrative processing pressure at the front line. We also introduced a new digital channel that allows customers to update their personal information without having to personally visit one of our branches. We have also invested in various back-office processes to deliver greater operational efficiency more robust controls and reducing complexity without impacting customer service.

On another note, the branch modernisation programme kicked off in 2021 and is making good headway. Five branches are now fully renovated with a refreshed, eco-friendly, and customer-centric layout. Additional branches across the network will undergo similar renovation in the coming months.

We have also been true to our ESG commitments on a number of fronts. We have been reviewing our environmental impact and have already identified areas that impact the climate and the environment, implementing various initiatives to reduce our carbon footprint and aligning the CSR programme to further benefit the environment. On the governance side we have been supporting our customers to make this important transition. We have been have been offering green financing and investment solutions to make this a reality, with further plans to expand on this offering in future.

Another area the Bank has worked on over this 3-year period, is the enhancement of internal data capabilities so we can better understand and pre-empt the needs of our customers. Several data quality initiatives will continue to be taken forward, which will support future product development and customer value propositions.

Going forward, the Board of Directors has approved a new strategy for the next three years to 2026. The key strategic thrusts revolve around our personal and business customers, digitalisation of our operational model, further strengthening our risk management control framework and enhancing the Bank's human capital. In parallel, the Bank will be supporting initiatives in these areas by investing in our data management and analytical capabilities, digitalisation as well as embedding ESG in our business and operational model.



Closing statement

As we embark on the 2024 journey together, let us reinforce our common vision, principles, and determination to ensure that the upcoming year is marked by continued growth, achievements, and meaningful contributions. I extend my heartfelt gratitude to our devoted employees, valued customers and respected shareholders for your commitment, passion, enthusiasm, and unwavering support.

On behalf of my Executive Team, team members across the organisation, and the Board of Directors, I wish to thank you for the support you extend to Bank of Valletta. Together, we will script the next phase of our voyage towards success as we journey from good to great.