



Bank of Valletta Group

Corporate and Business Profile

May 2026

This presentation contains forward-looking statements based on Bank of Valletta plc's ("BOV") current beliefs and expectations regarding future events. These include, among others, financial projections and estimates and their underlying assumptions, statements relating to plans, objectives and expectations in respect of future operations, products and services, and statements regarding future performance.

Forward-looking statements are not guarantees of future performance and are subject to inherent risks, uncertainties and assumptions relating to BOV, its subsidiaries and investments, the banking industry, future capital expenditure and acquisitions, changes in global and local economic conditions, competitive dynamics and regulatory factors. As these events are uncertain, actual outcomes may differ materially from those expressed or implied in such statements.

Any forward-looking statements speak only as of the date of this presentation. BOV undertakes no obligation to publicly revise or update any forward-looking statements as a result of new information or future events, except as required by applicable regulation. In this context, it should be noted that the Supervisory Review and Evaluation Process (SREP) is conducted annually by the European Central Bank and may result in changes to BOV's capital adequacy requirements.

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This guidance reflects the Bank's current view of the evolving local and global economic environment, including market-implied interest rate expectations as at mid-March 2026, anticipated customer behaviour and activity levels, and broader market dynamics relevant to the Bank's business model.

The Group continues to closely monitor economic, market and geopolitical developments through its established macroeconomic dashboards and client-level intelligence processes, ensuring that emerging risks and opportunities are promptly assessed. The Group remains committed to updating the market as appropriate, in full compliance with applicable regulatory disclosure requirements.



Agenda

1. Bank of Valletta at a Glance
2. Malta's Economic Environment
3. Banking System & Regulatory Environment
4. Market Positioning
5. Financial Performance and Balance Sheet Strength
6. Capital and Funding Strategy
7. Risk Management and Stress Resilience

BOV

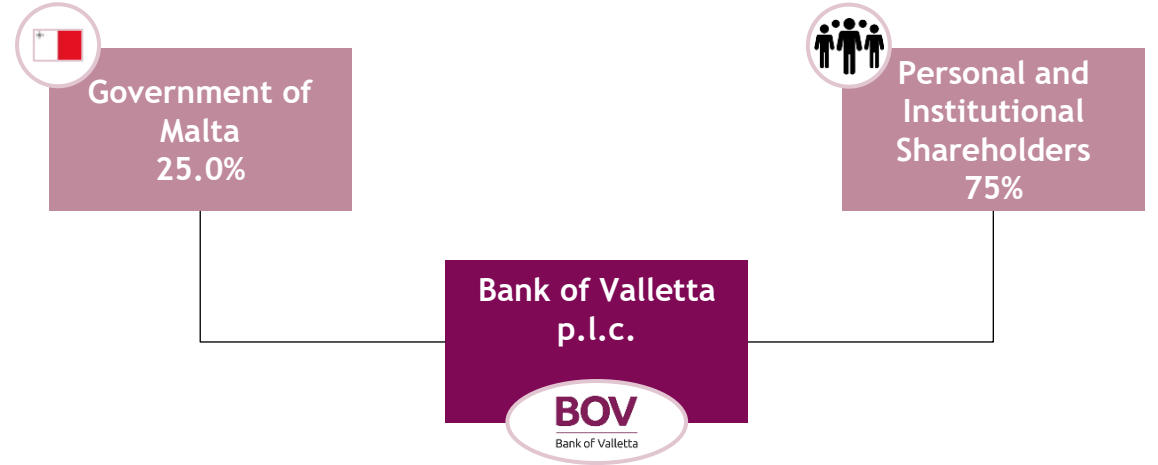
Bank of Valletta



1. Bank of Valletta at a Glance



Shareholding Structure



Key milestones

- Bank of Valletta Ltd established
- Listed on the Malta Stock Exchange
- Privatized - currently held by more than 20,000 shareholders



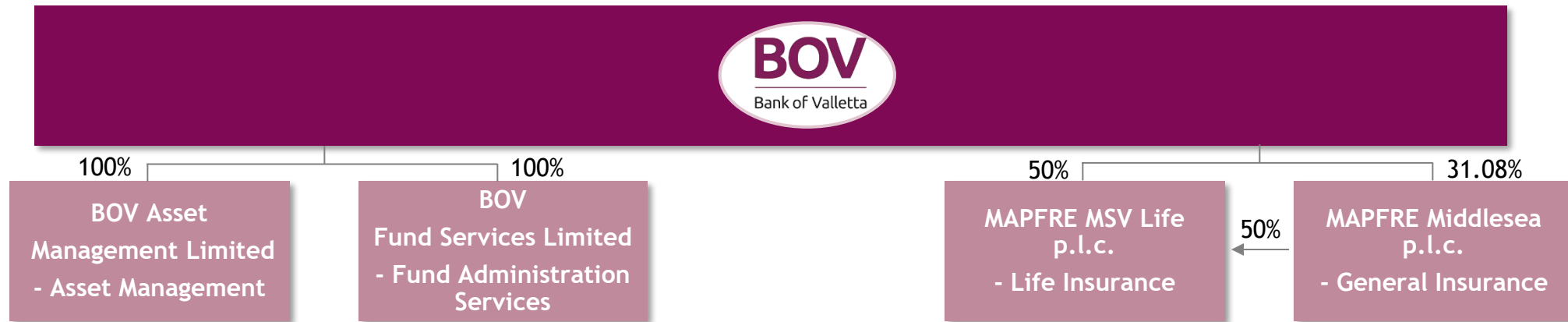
Market Capitalization: **€1.21 billion** as at 31-Dec-25

Malta's largest bank (by assets): **€ 16.5 billion** as at 31-Dec-25

28 Branches
5 Investment Centres
Corporate Finance Business Hub



An SSM bank supervised by the ECB since November 2014



Subsidiaries

- **BOV Asset Management** (fully owned subsidiary) provides management services for collective investment schemes and portfolio management services for professional institutional clients.
- **BOV Fund Services** (fully owned subsidiary) is a recognised fund administrator by the Malta Financial Services Authority. It provides a comprehensive suite of services to fund managers and fund promoters, as well as a full suite of fund administration including fund accounting, shareholder registry services, regulatory reporting and corporate services.

Associates

- **MAPFRE MSV Life p.l.c.** (equity-accounted investees) operates as a life assurance company licensed under the Insurance Business Act, 1998 (Chapter 403, Laws of Malta). Bank of Valletta p.l.c. holds 50% shareholding in MAPFRE MSV Life p.l.c. whilst the remaining 50% are held by MAPFRE Middle Sea p.l.c.
- **MAPFRE Middlesea p.l.c.** (equity-accounted investees) is engaged in the business of insurance, including group life insurance. Bank of Valletta holds 31.08% equity shareholding in MAPFRE Middlesea p.l.c.

Highly Experienced Board of Directors and Executive Team



DR GORDON CORDINA
CHAIRPERSON
NON-EXECUTIVE DIRECTOR



KENNETH FARRUGIA
CHIEF EXECUTIVE OFFICER



KENNETH FARRUGIA
CEO & EXECUTIVE DIRECTOR



NICOLA ANGELI
NON-EXECUTIVE DIRECTOR



INGRID AZZOPARDI
NON-EXECUTIVE DIRECTOR



ERNEST AGIUS
CHIEF OPERATIONS OFFICER



SIMON AZZOPARDI
CHIEF PERSONAL & WEALTH
OFFICER



RAY DEBATTISTA
CHIEF PEOPLE & CULTURE
OFFICER



DR CHRISTIAN BONNICI WEST
NON-EXECUTIVE DIRECTOR



DR DIANE BUGEJA
NON-EXECUTIVE DIRECTOR



ANATOLI GRECH
EXECUTIVE DIRECTOR



KEVIN CARDONA
CHIEF FINANCIAL OFFICER



RYAN CARUANA
GROUP CHIEF ANTI-FINANCIAL CRIME
OFFICER & MLRO



ANATOLI GRECH
GROUP CHIEF COMPLIANCE OFFICER



ANITA MANGION
NON-EXECUTIVE DIRECTOR



HADRIAN SAMMUT
NON-EXECUTIVE DIRECTOR



DEBORAH SCHEMBRI
NON-EXECUTIVE DIRECTOR



ELENA DOUROU
GROUP CHIEF INTERNAL AUDITOR



BJORN EKSTEDT
CHIEF INFORMATION OFFICER



THEODOROS PAPADOPOULOS
CHIEF CUSTOMER EXPERIENCE
OFFICER



DR JONATHAN SPITERI
NON-EXECUTIVE DIRECTOR



DR RUTH SPITERI LONGHURST
COMPANY SECRETARY



DR ROBERT SUBAN
NON-EXECUTIVE DIRECTOR



SIMON GRECH
CHIEF COMMERCIAL OFFICER



DANIELLE GRIMA
CHIEF RISK OFFICER



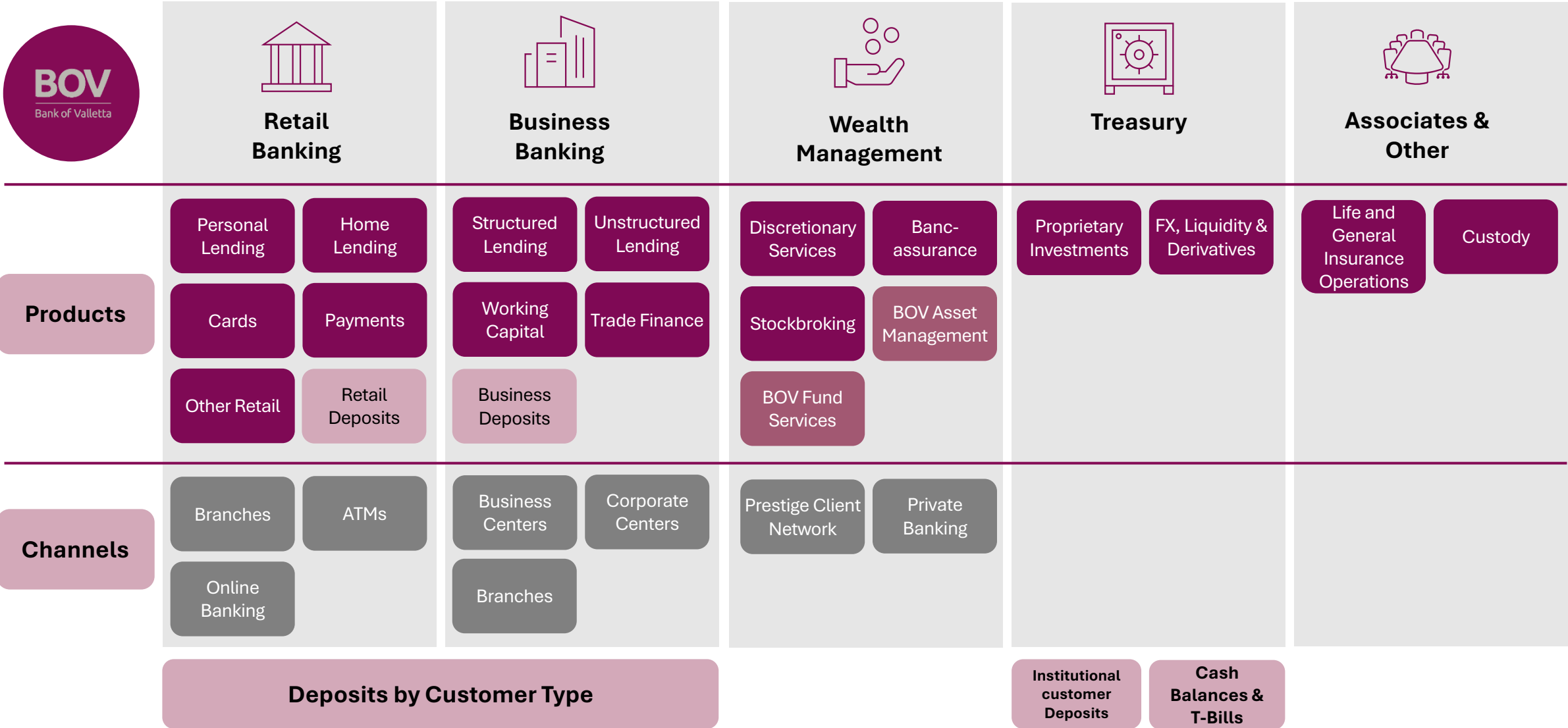
PROF SUE VELLA
NON-EXECUTIVE DIRECTOR

As the current #1 player in the market, we aim to further strengthen our leading position.

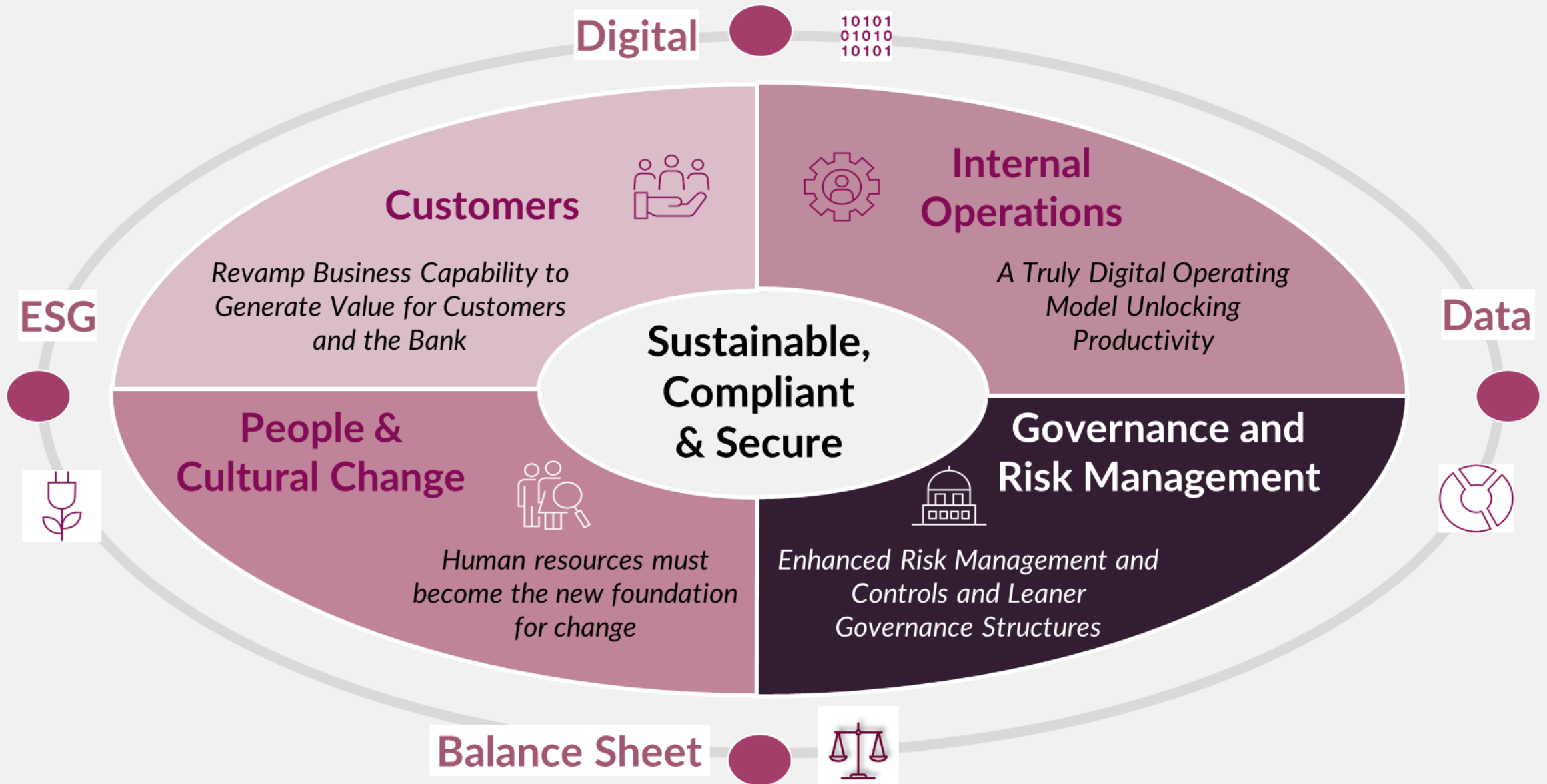
- **Strong National Franchise:** The Bank that continues to enjoy **sustained customer confidence**, with our surveys showing double digit growth in Net Promoter Score, with CSAT and CES trending between scores of 8 and 9.
- **Sustained Investor Confidence:** strong participation in capital market issuance Bond Issue, capital market activity reflecting a share price that's seen sustained increase in value since FY 2022.
- **Investment Grade Ratings:** The Bank that continues to enjoy **sustained confidence by international rating agencies**, with ratings issued by both Fitch Ratings and SCP Global Ratings improving in 2025.
- **International Correspondent Banking:** BOV enjoys **sustained confidence by international correspondent banks**, with the likes of Citibank, Bank of New York Mellon and UBS Switzerland partnering with BOV for payment services.



BOV Operating Model and Product Architecture

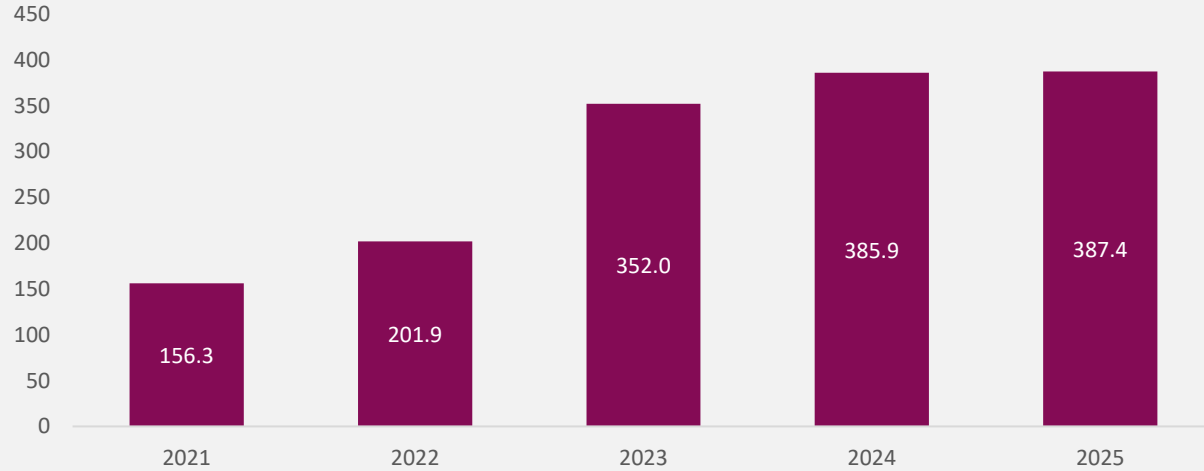


Subsidiaries

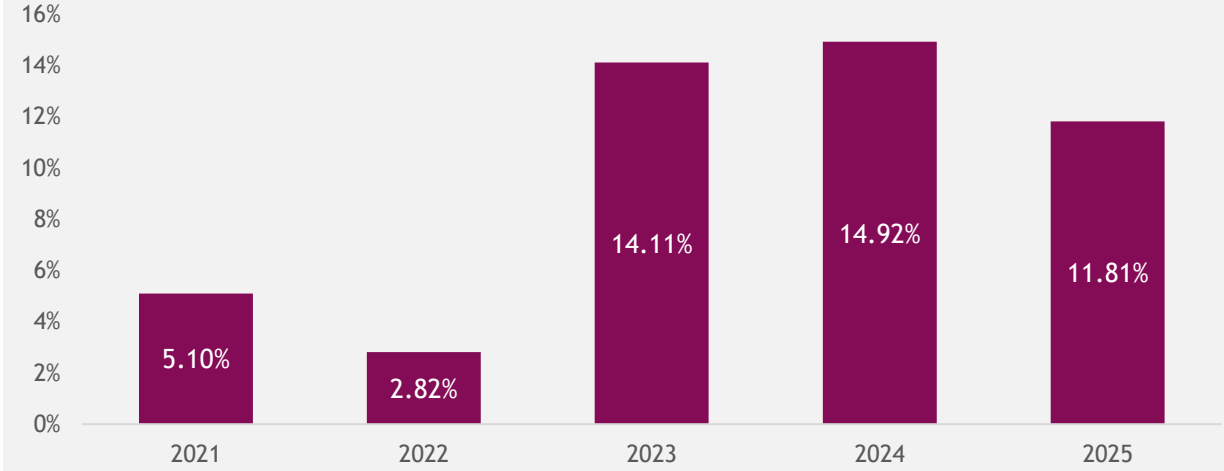


Strong Growth in Profitability and Shareholder Value

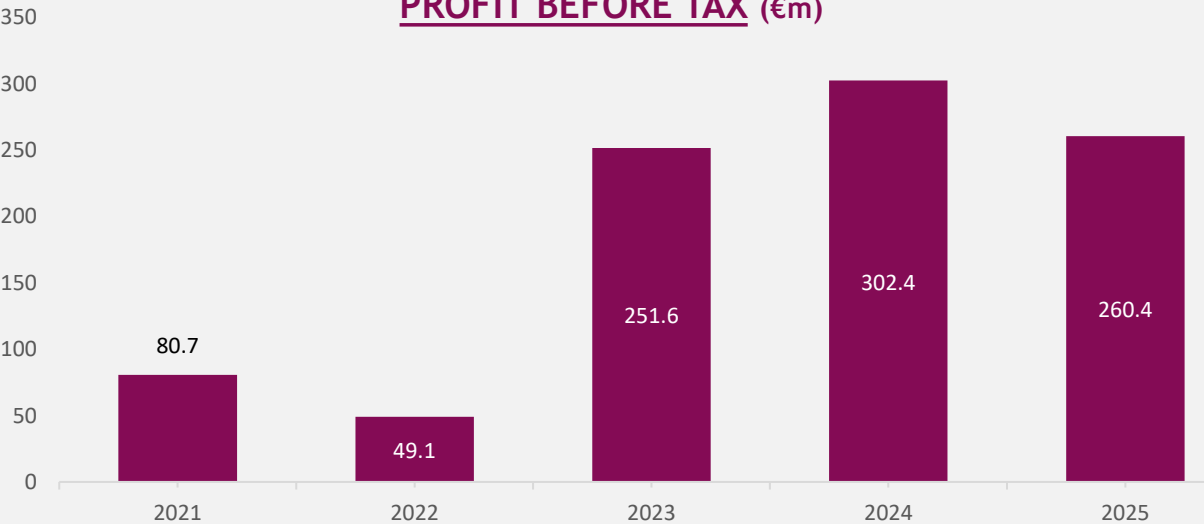
NET INTEREST INCOME (€m)



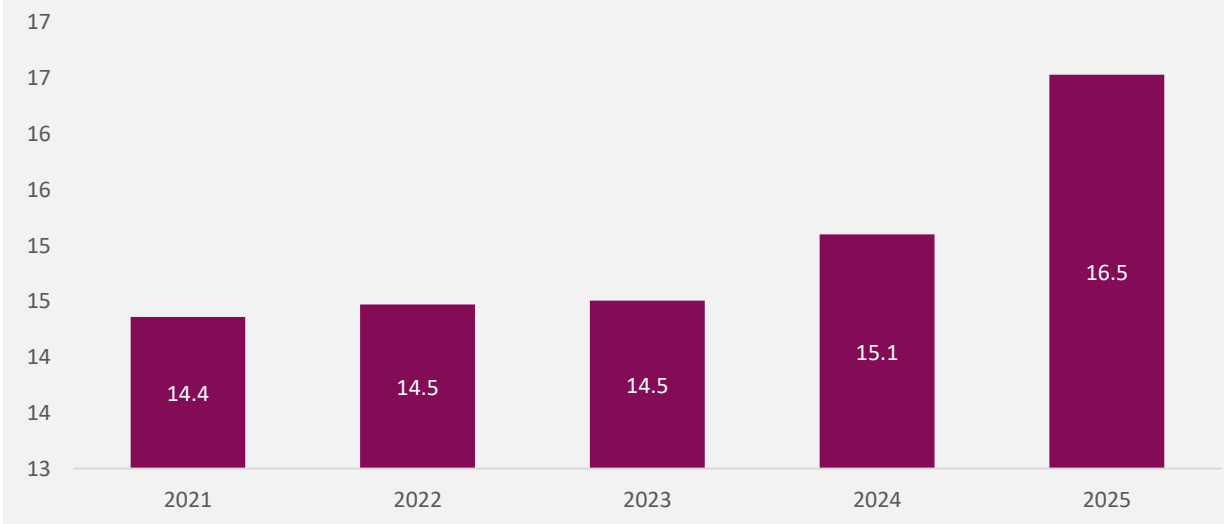
ROAE (after tax) (%)



PROFIT BEFORE TAX (€m)

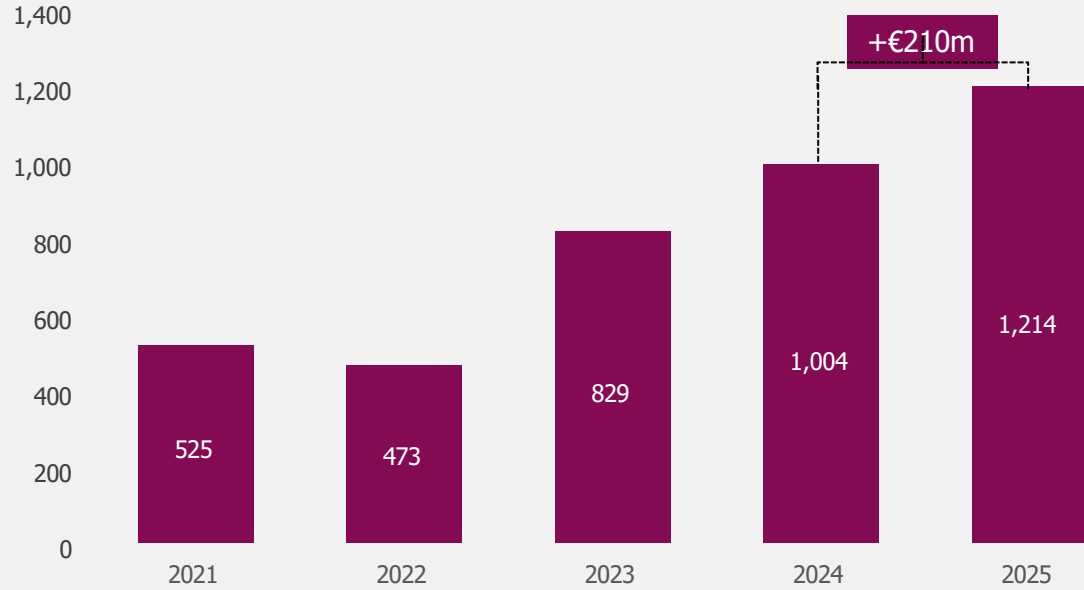


BALANCE SHEET SIZE (€b)

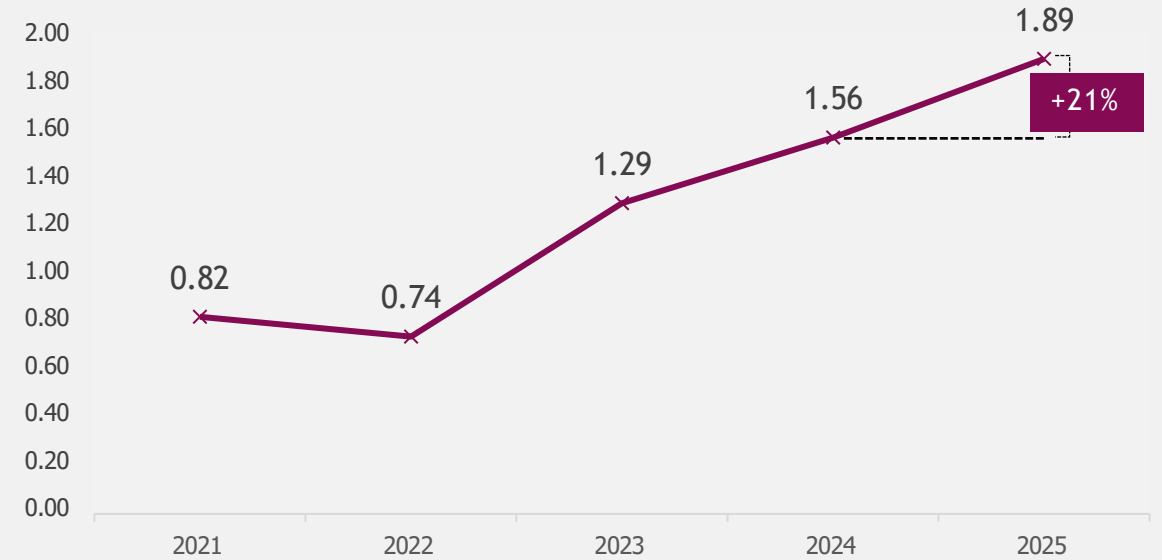


Robust Value Creation for Shareholders

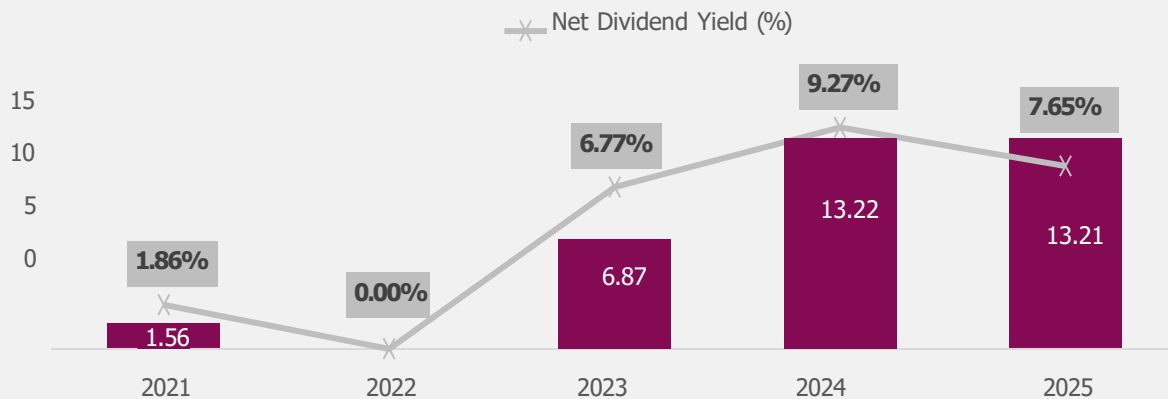
Market Capitalisation (€m)



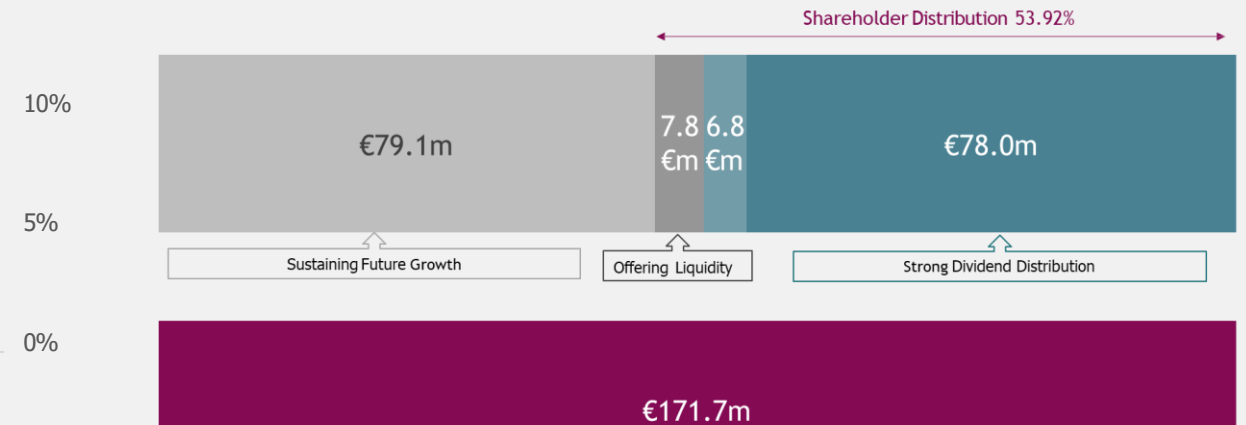
BOV Share Price (€)
Rebased



Net Ordinary Special Dividend per share (€ cents) Rebased



Profit Distribution



NB: Share price has been rebased to account for the 1-for-10 bonus share issue.

A comparative overview between BOV vs European SIFI

- Strong Profitability Metrics**
 BOV delivers a **higher ROAE** relative to European SIFIs, reflecting a **focused domestic franchise**, disciplined cost management and efficient capital deployment.
- An Efficient Operating Model**
 BOV's **lower cost-to-income ratio** highlights the benefits of a **simpler business mix** and limited exposure to complex, capital-intensive activities typical of large SIFIs.
- Prudent Balance-Sheet Management**
 BOV operates with a **loan-to-deposit ratio well below 100%**, underscoring a **deposit-funded model** with limited reliance on wholesale markets.
- Stronger Capital Buffers**
 CET1 and total capital ratios are strongly above European SIFI averages, providing **loss-absorbing capacity and balance-sheet resilience**.
- Robust Liquidity Profile**
 Significantly higher LCR and NSFR levels reflect a **highly liquid balance sheet**, conservative treasury positioning and strong funding stability.

FY2025	BOV	SIFI
ROAE (after-tax)	11.81%	9.53%
Cost-to-Income	49.70%	54.95%
Loan-to-Deposits	58.98%	100.49%
CET1	20.88%	16.18%
CAR	29.32%	20.32%
Leverage Ratio	7.73%	5.95%
LCR	384.40%	158.60%
NSFR	196.45%	126.49%

Source: [European Central Bank Portal](#)

NB. Systemically Important Financial Institutions (SIFI) figures relate to December 2025.

- Board approved initiation of the process to **issue a €300 million Senior Preferred note** in international markets.
- Supports the **Bank's long-term funding and capital strategy**, enabling growth initiatives and strategic development plans.
- Helps **diversify funding and capital sources**, reducing reliance on the domestic market where investor appetite is reaching saturation.
- **Strengthens MREL** headroom and aligns with regulatory expectations.
- Preparatory work and market engagement have already commenced, with full **details to be published no later than end of FY 2026**.
- Issuance is subject to regulatory approval.

Upgraded to BBB, by both Fitch Ratings and S&P Global Ratings

Fitch Ratings: (25 Mar 2025)

- Fitch Ratings has **upgraded** Bank of Valletta p.l.c.'s (BOV) Long-Term Issuer Default Rating (IDR) to 'BBB' from 'BBB-'
- The Outlook on the Long-Term IDR is **Stable**.
- Fitch has also assigned BOV a long-term deposit rating of 'BBB+' and a short-term deposit rating of 'F2'.



S&P Global Ratings: (19 Dec 2024)

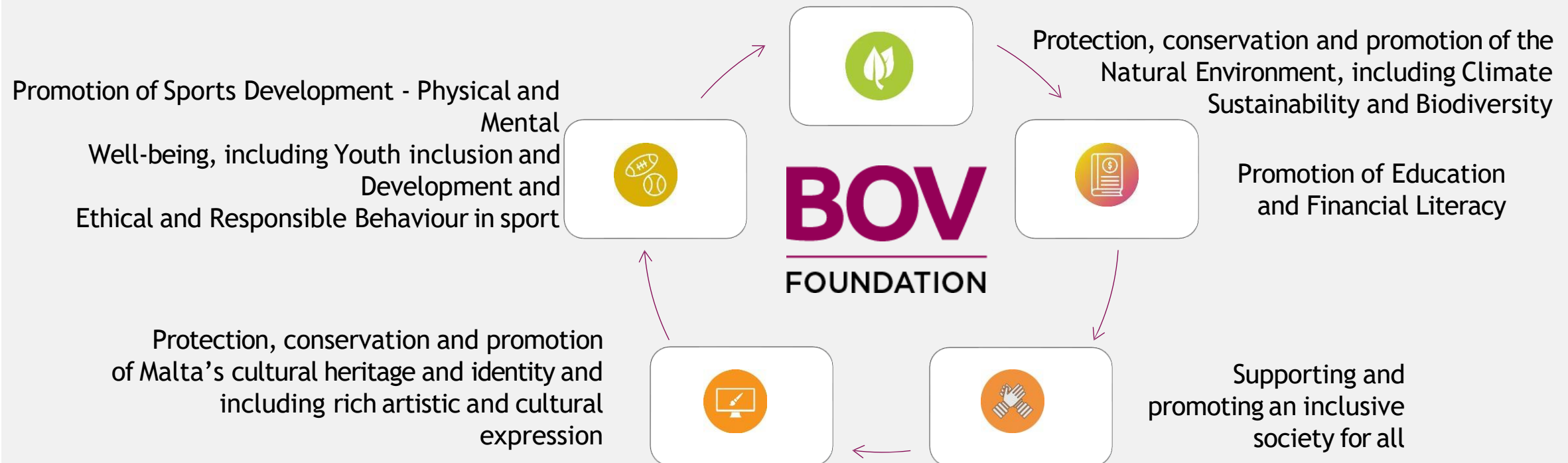
- S&P Global Ratings **upgraded** its long- and short-term issuer credit ratings on Bank of Valletta (BOV) to 'BBB/A-2' from 'BBB-/A-3'.
- The Outlook is **Stable**.
- S&P also raised our long-term RCR to 'BBB+' from 'BBB' and affirmed our 'A-2' short-term RCR.



ESG Leadership

- **Strong Governance and Policies around ESG Related Matters**
- **Scope 1 and Scope 2** - reducing emissions through energy efficiency upgrades, increased use of cleaner energy sources, and operational improvements.
- **Climate Considerations** - embedded across lending practices, risk management frameworks, and strategic planning - enhancing materiality assessments and climate stress testing.
- **Electric Vehicle (EV) Charging Stations** - initiative as part of the Bank's commitment to sustainability.

BOV Foundation at the core of the CSR Mission



SUSTAINING THE ECONOMY AND RESPONSIBLE CREDIT GROWTH



The Group will continue to play a central role in sustaining Malta's economic development through **high-quality, responsible lending across commercial, SME and retail segments**, aligned with the Group's **ESG commitments and prudent risk-adjusted returns**.

REVENUE DIVERSIFICATION AND GROWTH OF FEE-BASED ACTIVITIES



The Group will continue to **strengthen recurring income streams with focus on non-interest income**. Growth in payments, cards, investment services, trade finance, and wealth advisory will remain central to the diversification of income, reducing volatility linked to interest-rate cycles.

DYNAMIC AND PROACTIVE BALANCE SHEET MANAGEMENT



The Group will maintain a **forward-looking approach to balance-sheet optimisation**, focusing on strategic deployment of liquidity, funding diversification, refinancing efficiency, and capital structure rebalancing, all aimed at supporting profitability and protecting NII resilience in a changing rate environment.

SHAREHOLDER VALUE AND CAPITAL-RETURN DISCIPLINE



The Group remains **committed to the transparent and balanced management of shareholder expectations**. This includes sustained and sustainable dividends, efficient capital deployment, and actions that support market liquidity of the Bank's listed instruments. The Group aims to continue delivering value through disciplined capital planning and predictable distribution policies.

DIGITALISATION AND OPERATIONAL MODERNISATION



The Group will **accelerate delivery of its multi-year digital transformation programme**. Key priorities include further digitisation of core processes, customer journey redesign across all channels, enhanced cybersecurity resilience, and deeper adoption of data-driven decisioning, ensuring customers benefit from more seamless, secure and personalised services.

ELEVATED RISK MANAGEMENT AND COMPLIANCE MATURITY

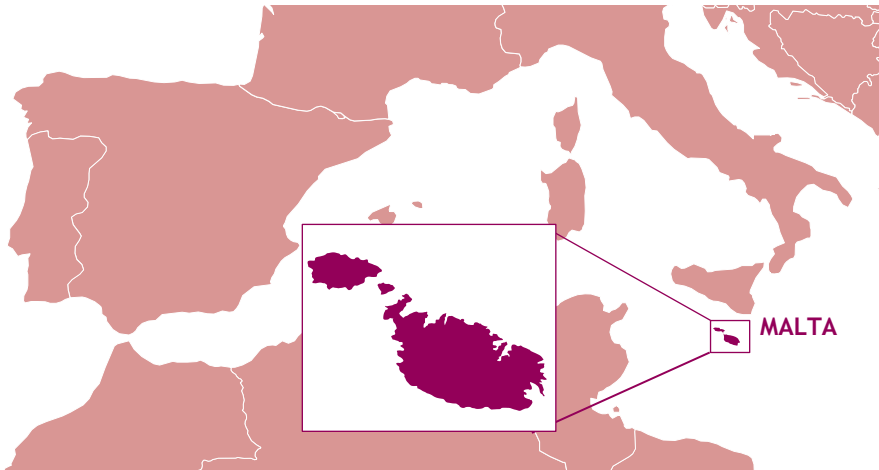


The **risk and compliance framework will continue to be strengthened** through enhanced governance, improved risk-data aggregation, upgraded models and methodologies, and sharper credit-risk oversight. Risk culture remains a priority, ensuring that all activities are aligned with regulatory expectations and support the long-term integrity of the balance sheet.



2. Macro and Operating Environment

Strategic Geographic Position



Malta - Historical Highlights

- Malta is a Republic based on parliamentary democracy - elections every five years.
- A member of the European Union since 1 May 2004, and adopted the Euro on 1 January 2008
- EU Presidency January - June 2018
- Member of the WTO and the IMF

S&P Global
Ratings

MOODY'S

FitchRatings

Long Term Rating &
Outlook

A- (Stable)

A2 (Stable)

A+ (Stable)



Small in size: 316 Km² consisting of the main island of Malta, Gozo and Comino



Human Development Index - Ranked 24th



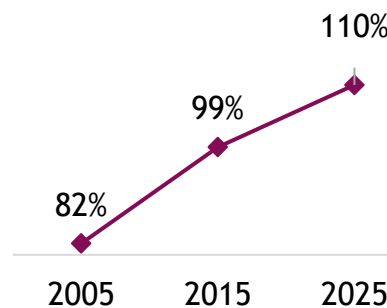
Life expectancy at birth - 83 years

GDP:
€25.3bn

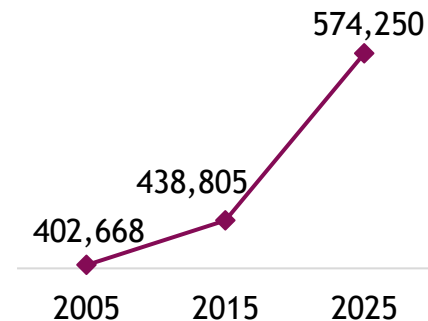
GDP Per Capita:
€44.9k

Malta in Numbers

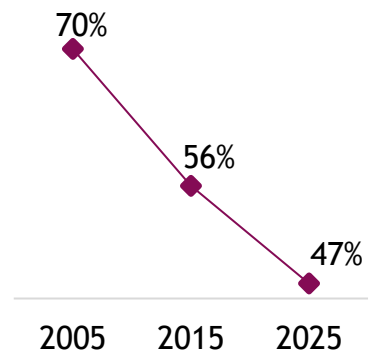
Standard of living
(GDP per capita in PPS
as % of EU average)



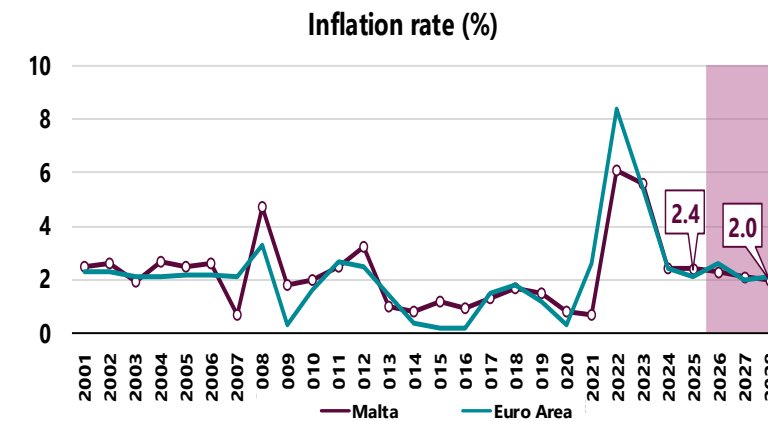
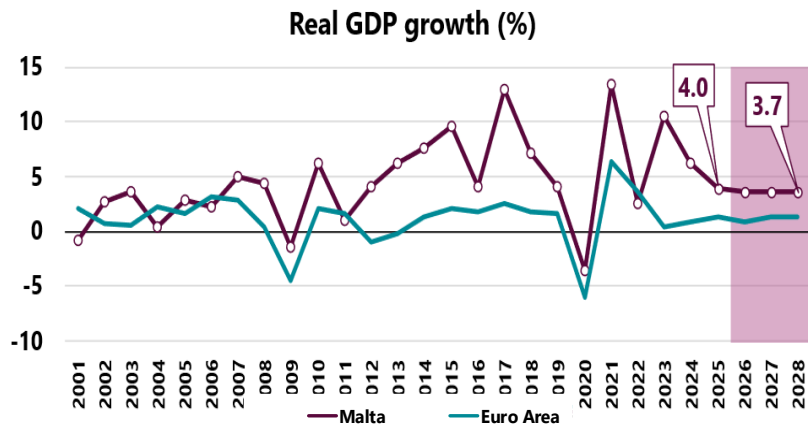
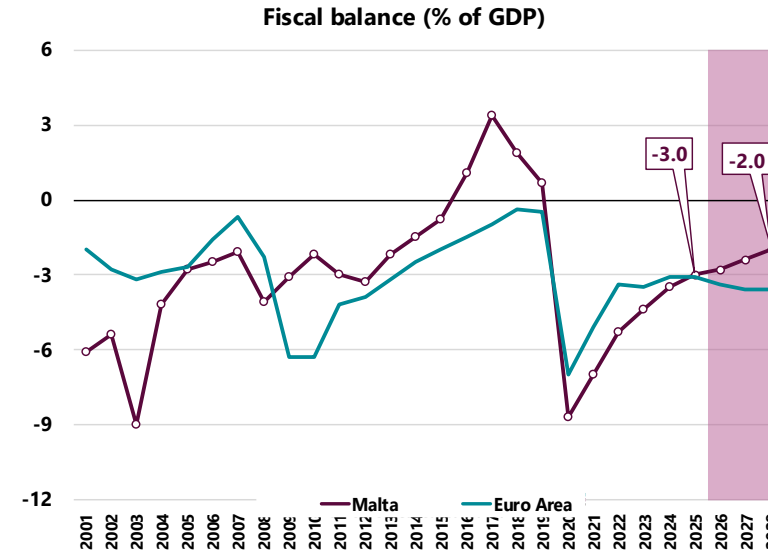
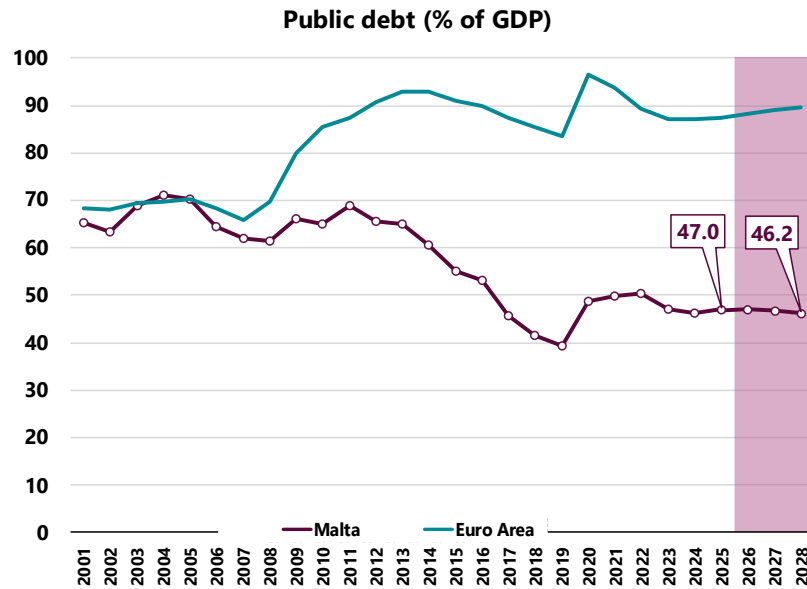
Population



Gross Debt % of GDP



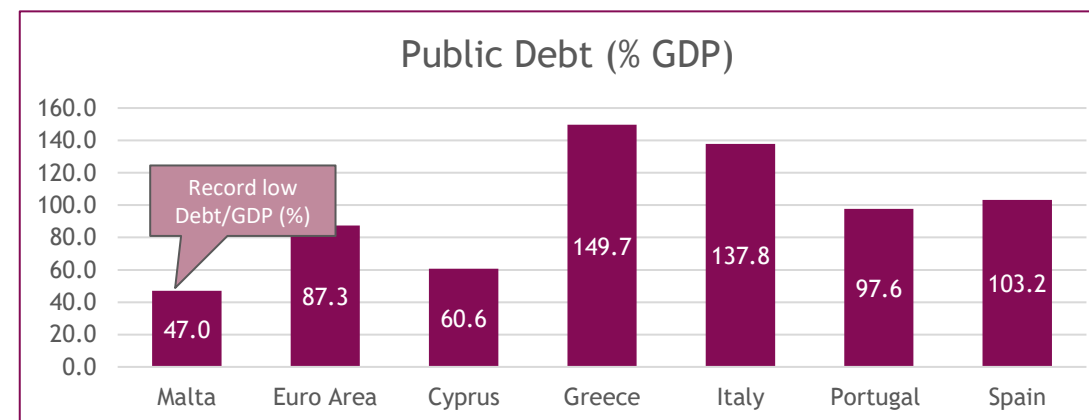
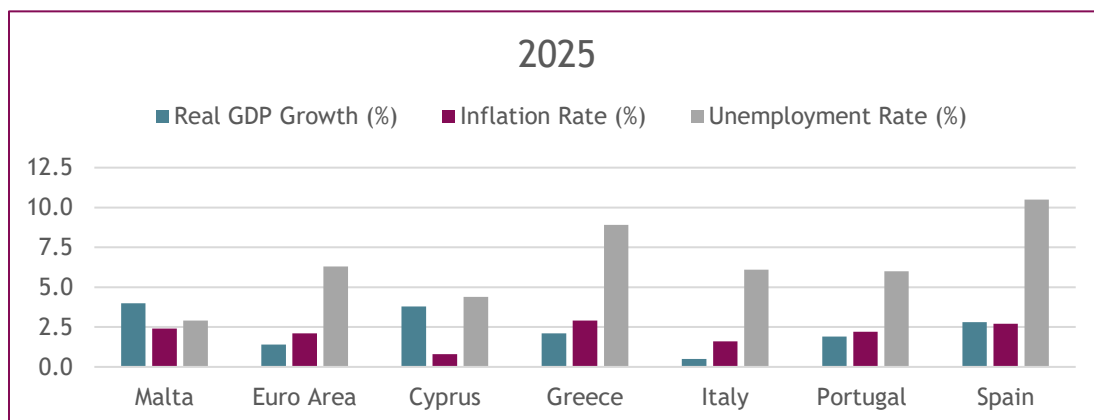
Strong Economic Fundamentals



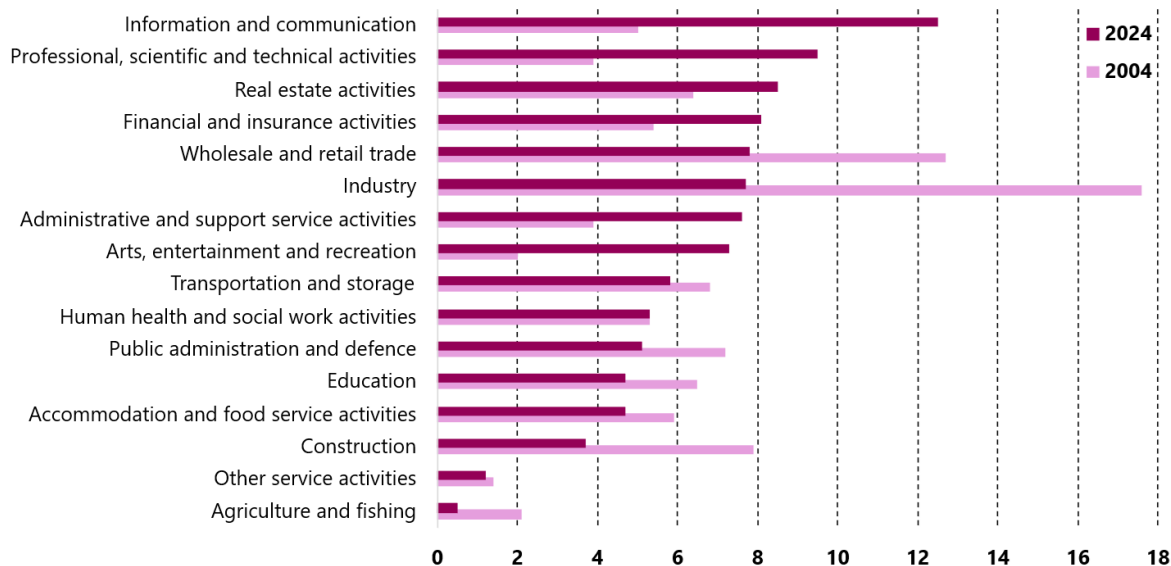
Malta vs Euro Area and Southern European Countries.

- A robust economic momentum, strong growth potential and low unemployment rate.
- A record of fiscal prudence and moderate government debt, preserving a strong Country Rating
- Sound Banking Sector and Solid External Finances.

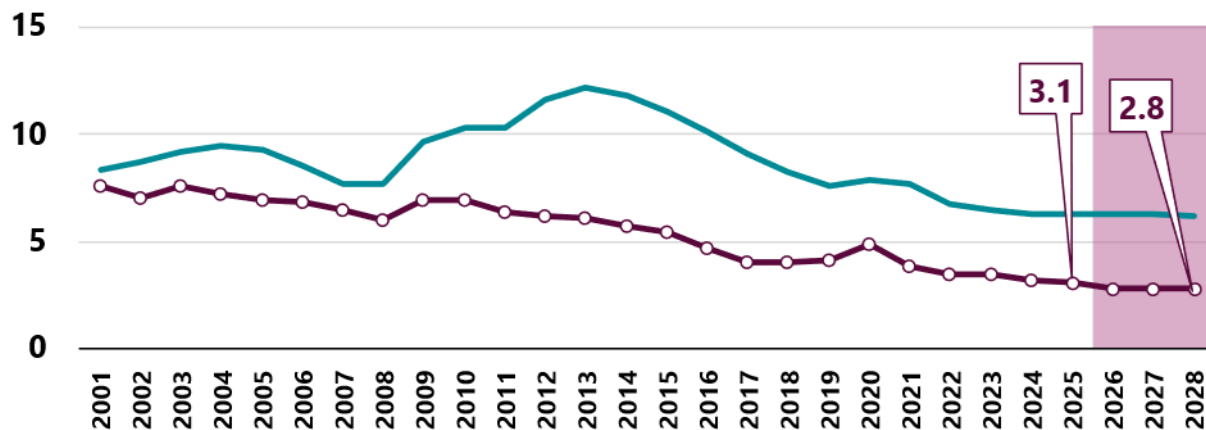
Economic Indicators	Malta	Euro Area	Cyprus	Greece	Italy	Portugal	Spain
Real GDP Growth (%)	4.0	1.4	3.8	2.1	0.5	1.9	2.8
Inflation Rate (%)	2.4	2.1	0.8	2.9	1.6	2.2	2.7
Unemployment Rate (%)	2.9	6.3	4.4	8.9	6.1	6.0	10.5
Fiscal Balance (%)	-3.5	-3.1	4.1	1.2	-3.4	0.5	-3.2
Public Debt (% GDP)	47.0	87.3	60.6	149.7	137.8	97.6	103.2
Country Rating							
S&P/Moody's/Fitch	A- / A2 / A+	-	A- / A- / A3	BBB / Baa3 / BBB	BBB+ / Baa2 / BBB+	A+ / A3 / A	A+ / A3 / A



Share of Gross Value Added (%)

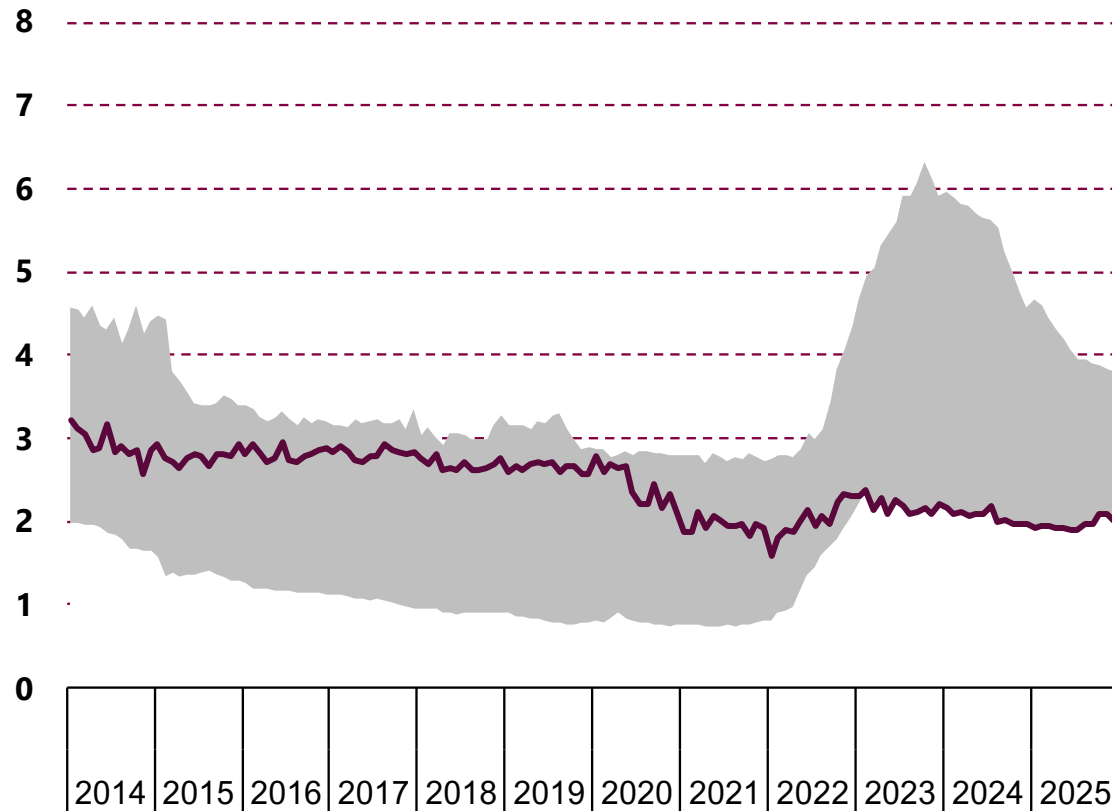


Unemployment rate (%)

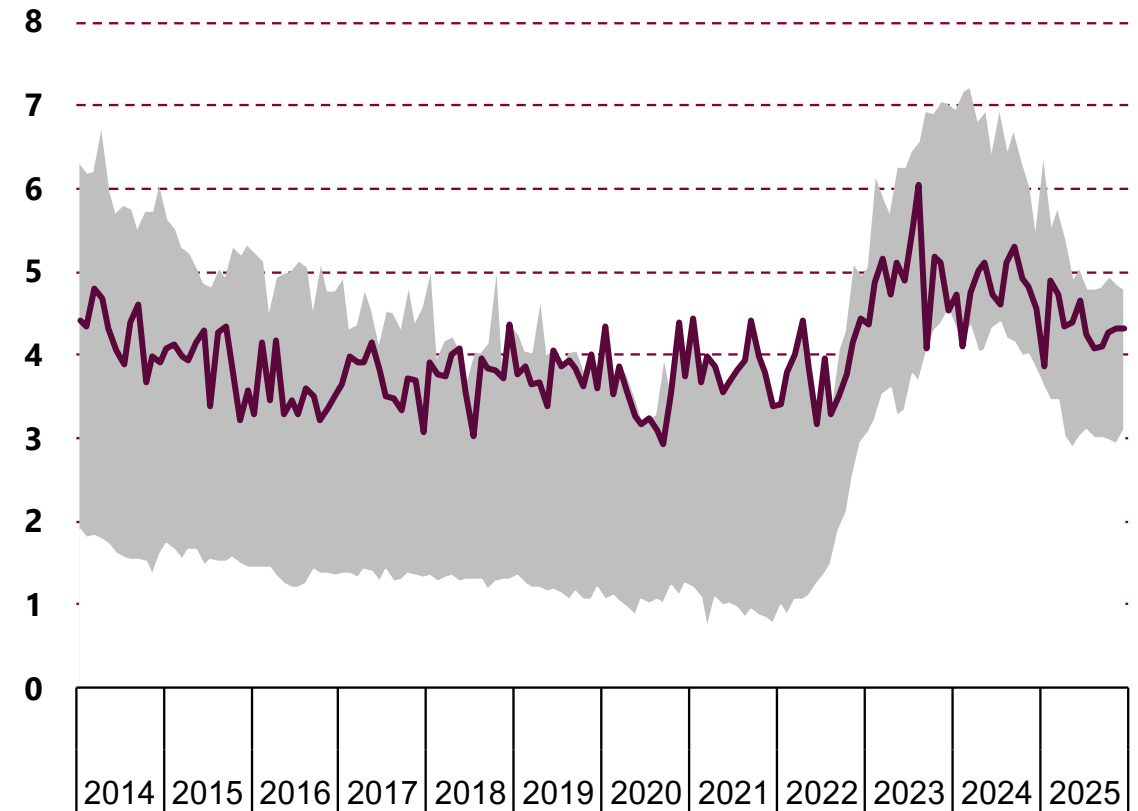


- Malta’s unemployment rate consistently remains well below the EU average, reflecting a stronger and more resilient labour market.
- While the EU rate declined gradually to mid-single digits, Malta’s continued downward trend has brought unemployment to around 3% in recent years, highlighting sustained domestic economic strength.
- Malta’s GVA composition shows a clear shift towards higher value-added service sectors, with strong growth in information and communication, professional services and financial activities.
- Transitioning to a more service-driven, knowledge-based economy focusing on rather than traditional manufacturing and agriculture which have declined marketing.

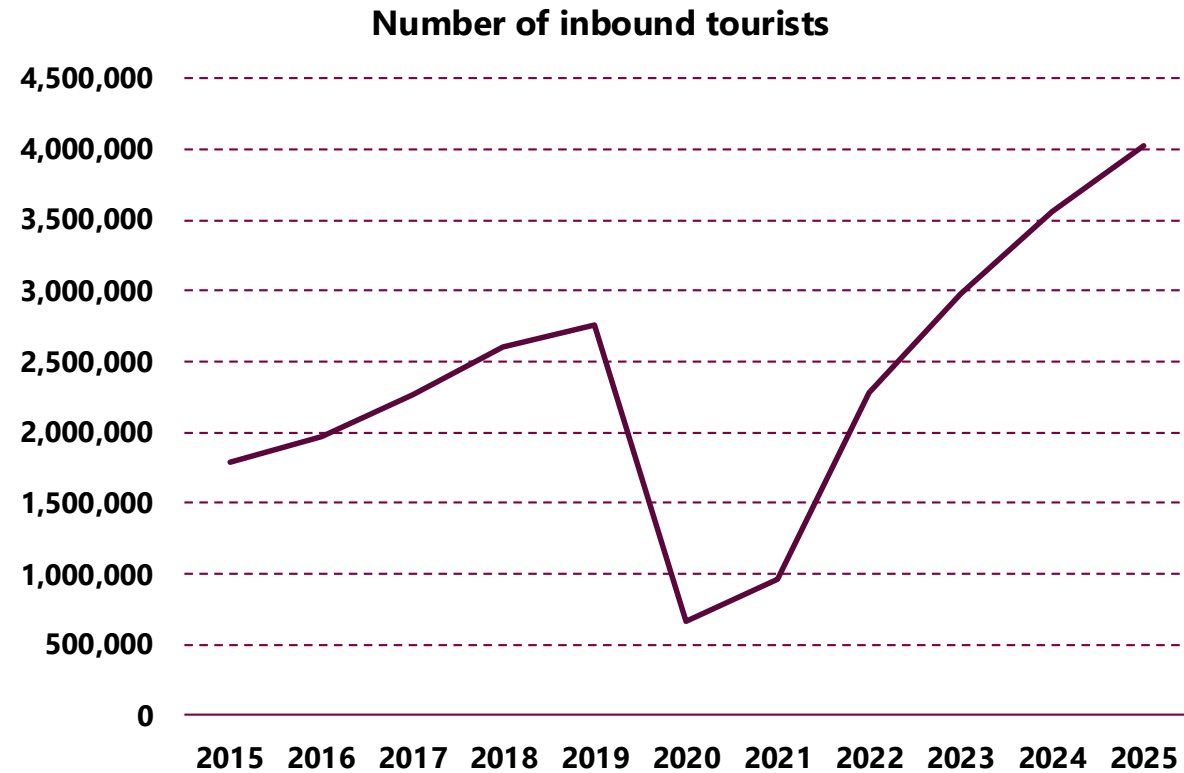
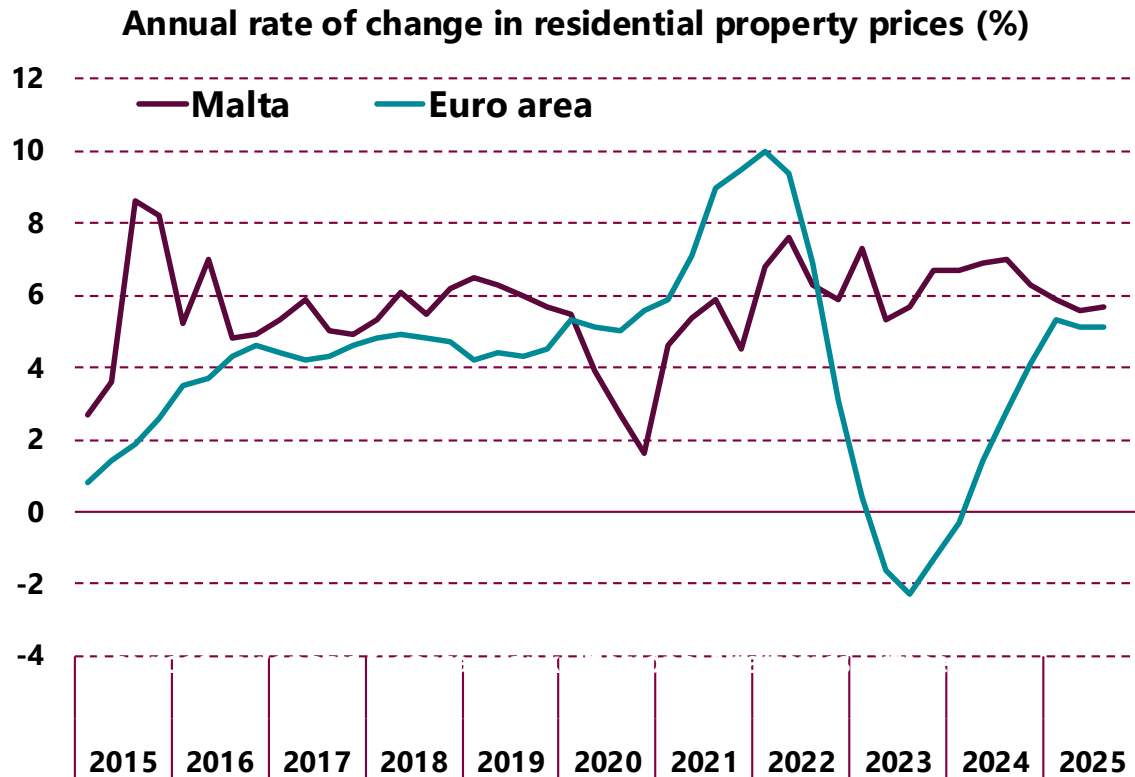
Household composite cost of borrowing (%)



Corporate composite cost of borrowing (%)



- The **strong liquidity position** of the banking system in Malta contributes to **interest rate stability**.
- **Mortgage rates** in Malta are the lowest in the euro area, while the pass-through to **corporate rates** has been much lower than abroad.



- Robust economic growth, interest rate stability, strong liquidity, increase in population and higher tourism contributed to the **resilience of property prices** in Malta.

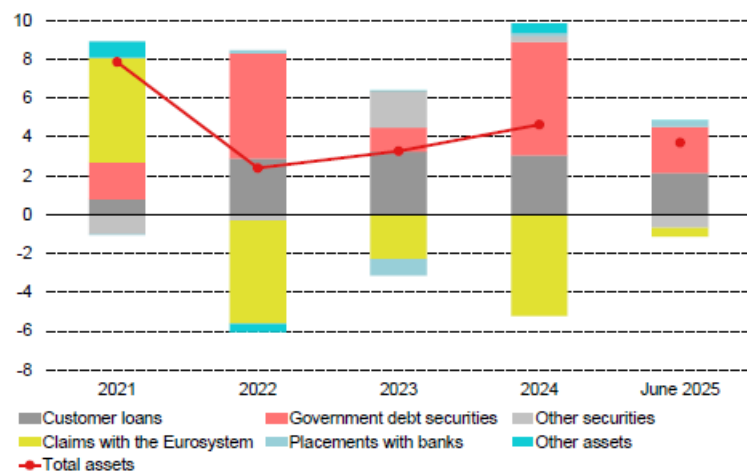
- **Tourism** in Malta rebounded rapidly from COVID due to strong air connectivity.
- 33 Airlines servicing Malta and direct flights to New York commencing in June 2026



3. Banking System and Regulatory Environment

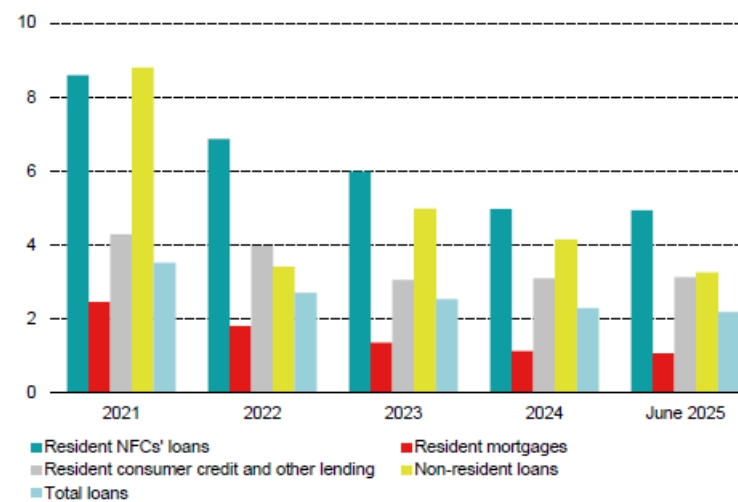
- Compact Euro-area banking system with 22 licensed credit institutions, comprising 17 locally licensed banks and 4 branches of foreign banks
- Part of the Eurozone and European Banking Union, with oversight embedded within the ECB / SSM framework and national authorities Prudential & Regulatory Environment. Strong macro-prudential oversight, including targeted buffers and sectoral measures ,reinforcing stability and market confidence
- The banking sector is well capitalised, operating comfortably above regulatory minimums under CRR/CRD and Basel III standards

CONTRIBUTION TO BALANCE SHEET GROWTH – CORE DOMESTIC BANKS
(percentage points)



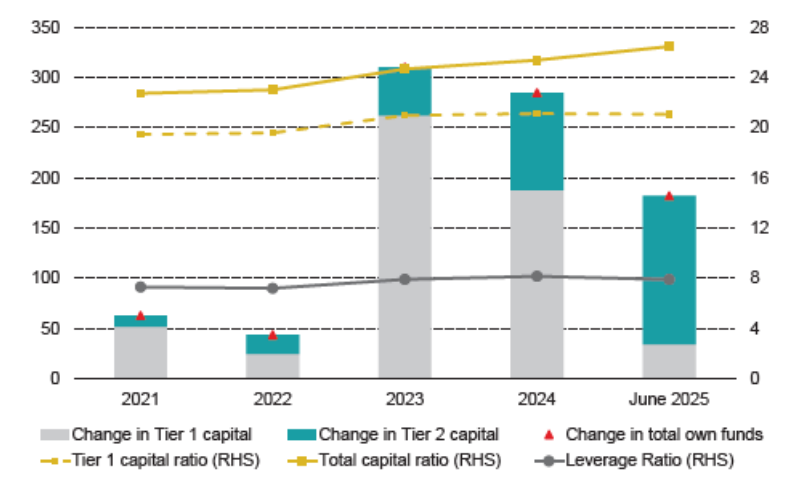
Source: Central Bank of Malta.

NPL RATIOS – CORE DOMESTIC BANKS
(per cent)

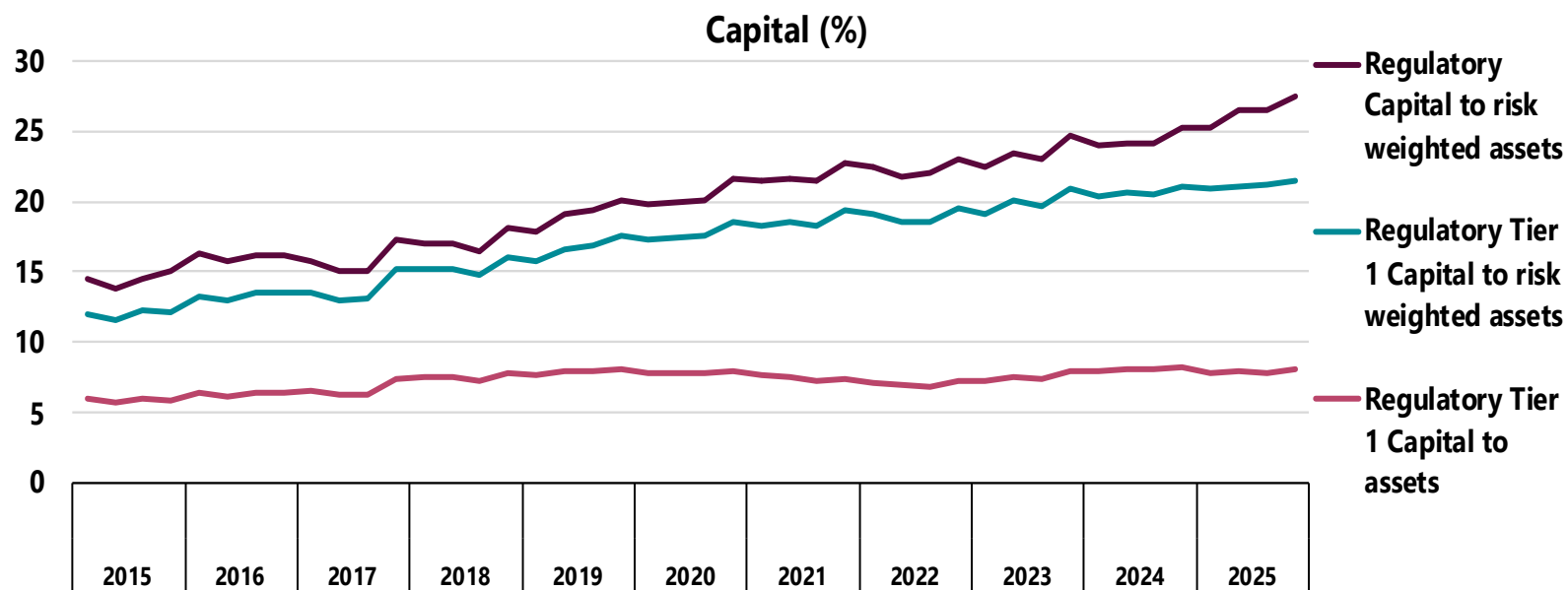


Source: Central Bank of Malta.

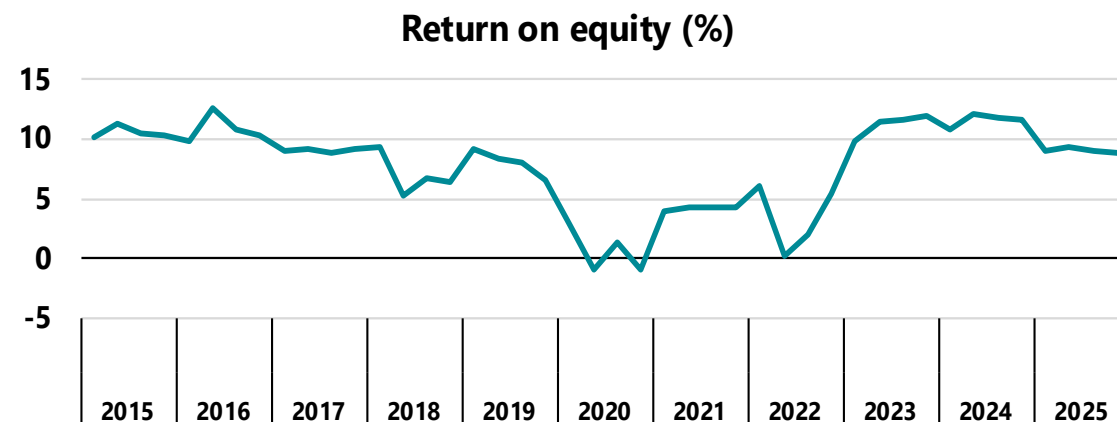
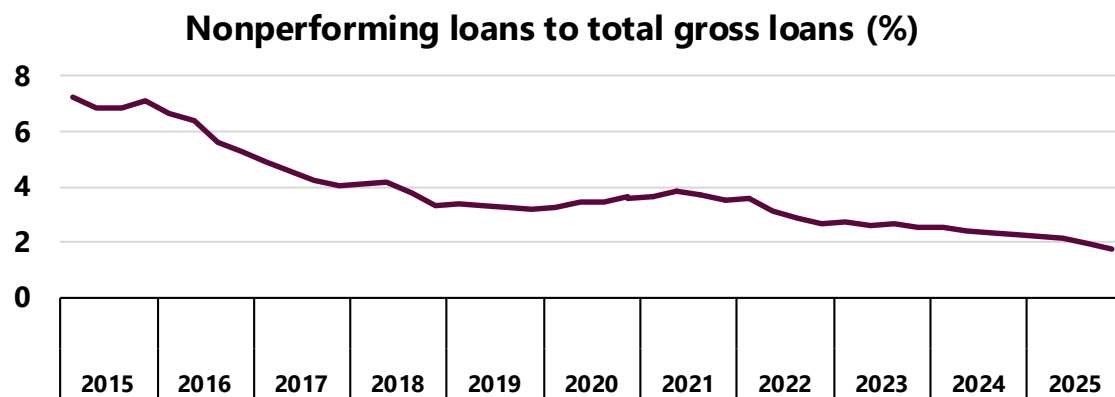
CHANGE IN TOTAL OWN FUNDS, CAPITAL AND LEVERAGE RATIO – CORE DOMESTIC BANKS
(EUR millions; per cent)



Source: Central Bank of Malta.



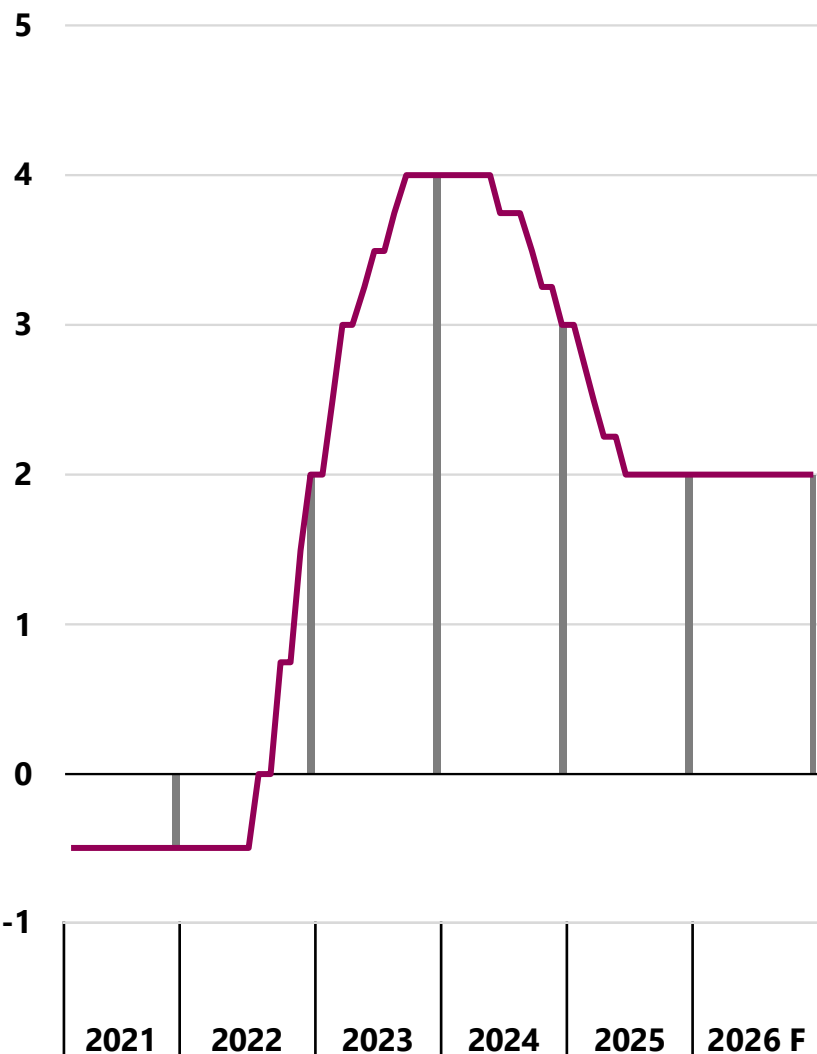
- Core domestic banks have posted **positive outcomes** across key performance metrics.
- **Capital ratios have improved, nonperforming loans declined** and returns are at healthy levels.



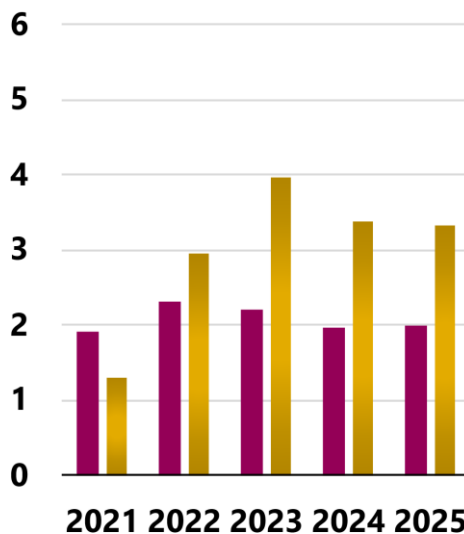
A Stable Interest Rate Landscape

■ Malta ■ Euro Area

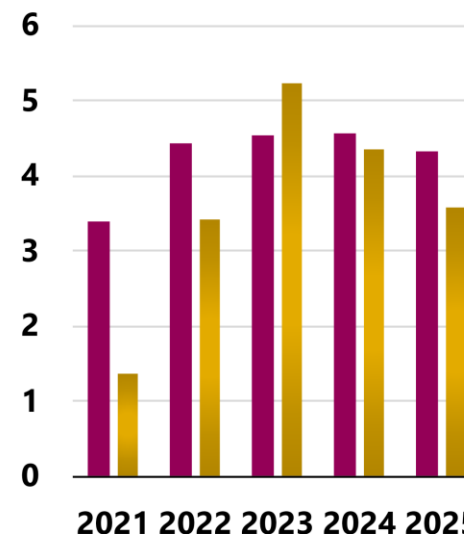
ECB Deposit Facility Rate (%)



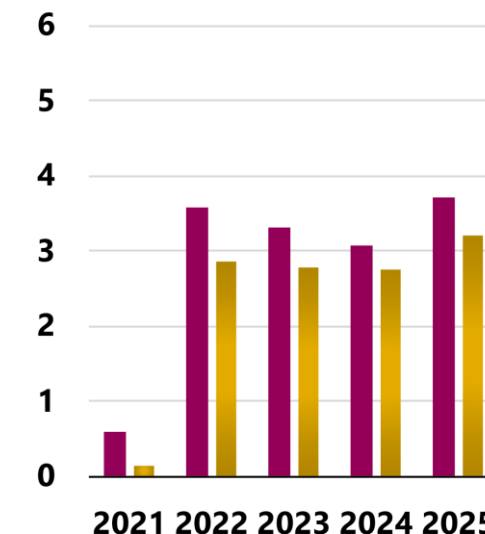
Mortgage rates (%)



Corporate loans (%)



Govt bond yields (%)



- The ECB appears to have concluded its easing cycle, unwinding part of its previous tightening. Rate cuts in 2025 totalled 100 basis points (as in 2024) but were concentrated entirely in the first half of the year.
- ECB rates are expected to remain unchanged throughout 2026.
- Mortgage rates in Malta remained stable and the lowest in the euro area.
- Rates on corporate loans are comparable to those offered in the euro area.
- Government bond yields had increased at the beginning of the tightening phase, but have not mirrored the easing cycle, remaining well above the levels seen during the ECB's negative-rate period.
- ECB Deposit Facility Forward Looking Rates will continue to be actively monitored in line with the guidance provided by the ECB, also in the context of the dynamic and evolving market environment.

Source: European Central Bank, Eurostat. (March-26)

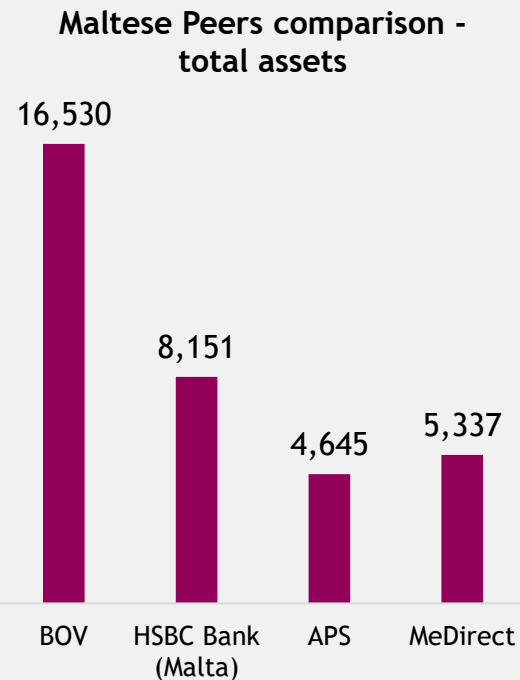
Note: Bank rates and bond yields correspond to end-of-year values.



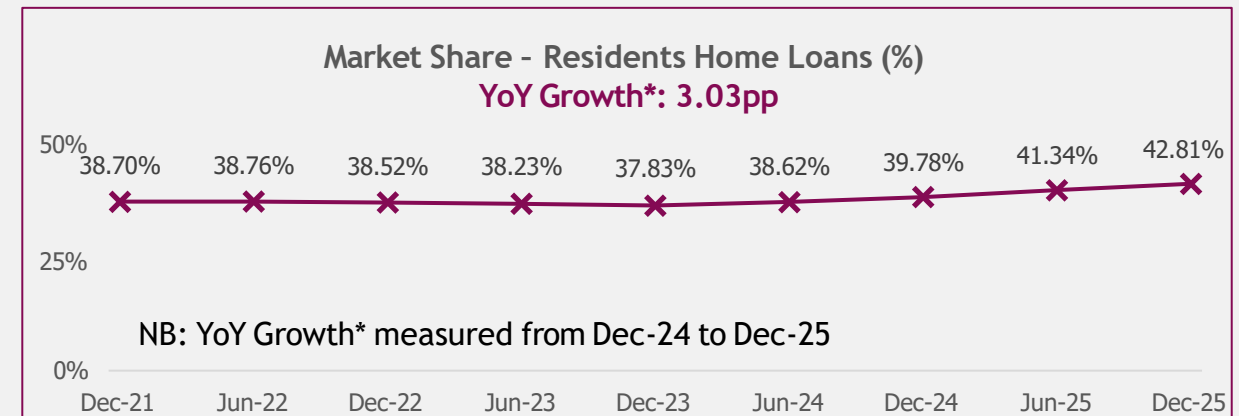
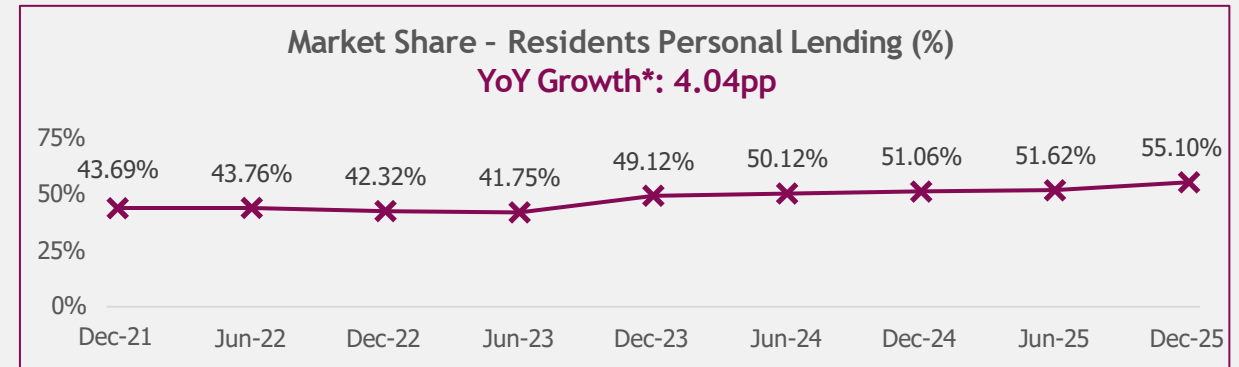
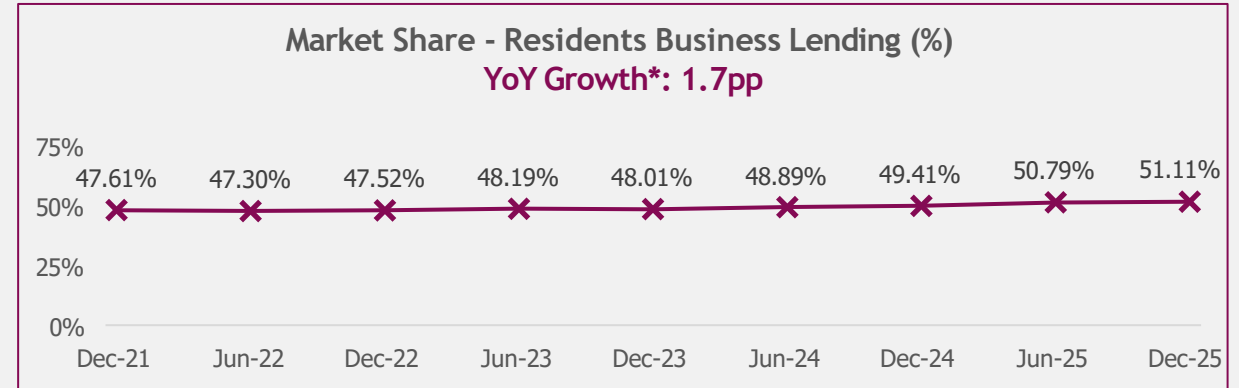
4. Market Positioning

Strong Market Leadership Position

- Over the last 5 years, BOV maintained its undisputed leadership position in the Maltese Banking Market, confirming the Bank's strong brand franchise supported by sustained deposit growth and growing balance sheet.
- Lending market shares continue to increase quarter on quarter with high growth rates being registered over the last year.



Source: CBM Data Banks

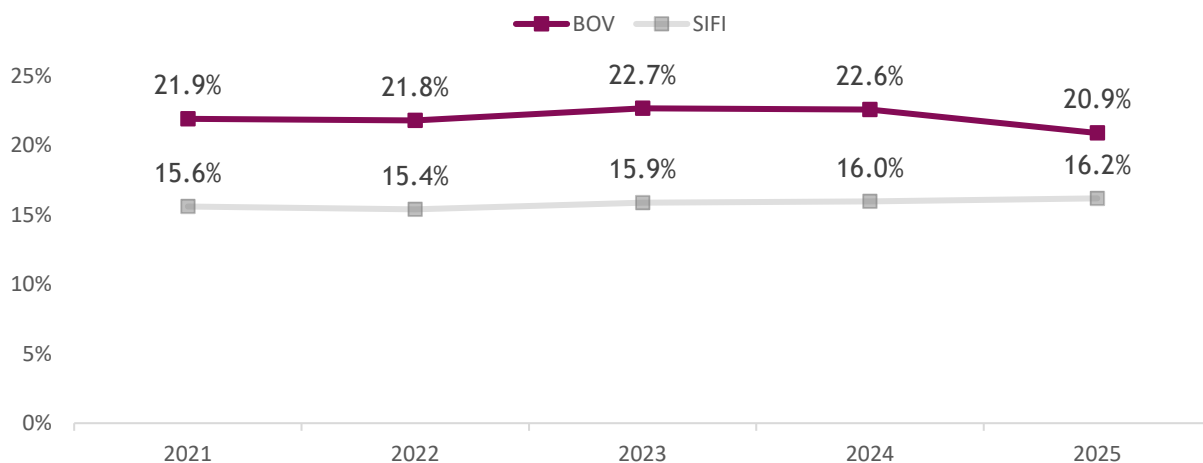


FY2025		BOV		HSBC Bank (Malta)		APS		MeDirect
ROAE (pre-tax)		17.90%		17.80%		7.31%		-2.16%
Balance Sheet Size (€m)		16,530		8,151		4,645		5,337
Shareholders Equity (€m)		1,497		626		362		280
CET1		20.88%		24.10%		17.60%		20.80%
Capital Adequacy Ratio		29.32%		27.10%		23.2%		23.50%
Leverage Ratio		7.73%		6.60%		6.24%		4.80%
Liquidity Coverage Ratio		384.40%		534.80%		178.10%		196%
Cost-to-Income		49.70%		54.60%		70.70%		105.00%
Loan-to-Deposit		58.98%		42.80%		86.00%		73.05%
APS Bank: Leverage Ratio as at end Sep 2025								

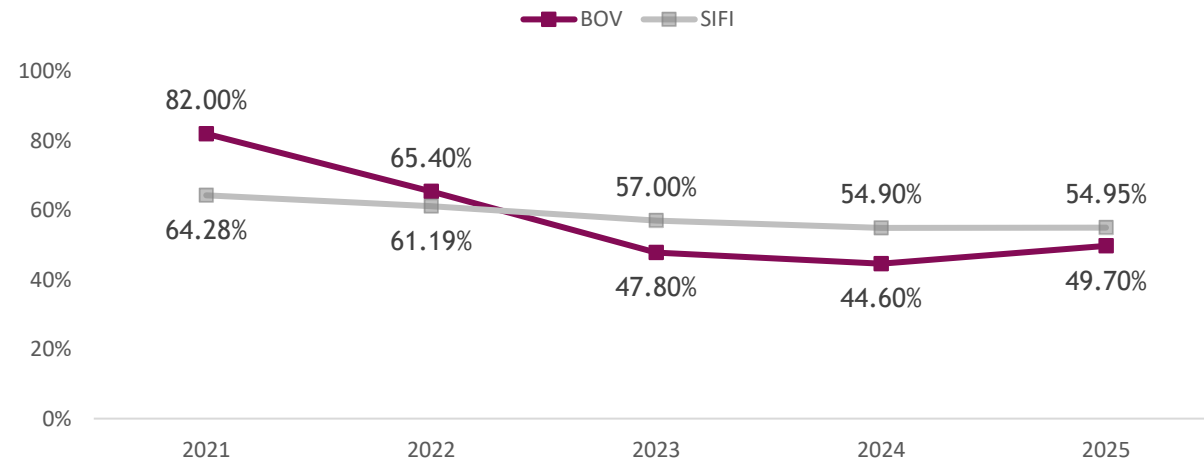
The Bank’s performance can be framed through a balanced set of indicators that highlight profitability, scale, capital strength, liquidity resilience and operational efficiency. Its profitability is reflected in a **solid ROAE**, while overall scale is captured through the **growth in balance-sheet size**.

Capital strength remains robust, supported by a **strong CET1 ratio**, and liquidity risk is well managed as evidenced by a **healthy LCR**. Operational discipline is demonstrated through a good **cost-to-income ratio which remains below 50%**, underscoring the Bank’s focus on efficiency and sustainable performance across its core activities.

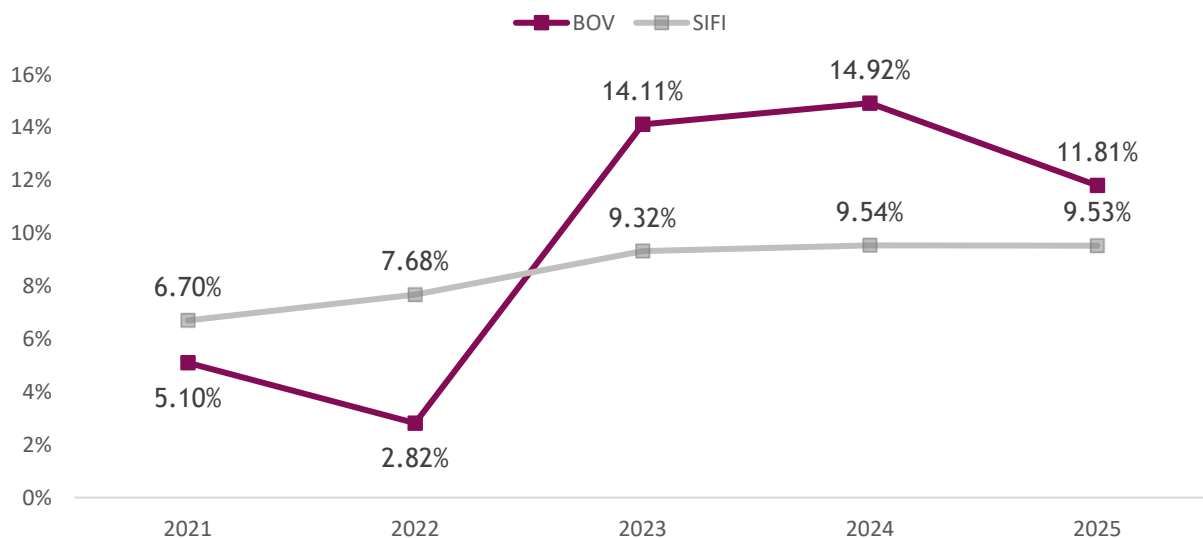
CET1 (%)



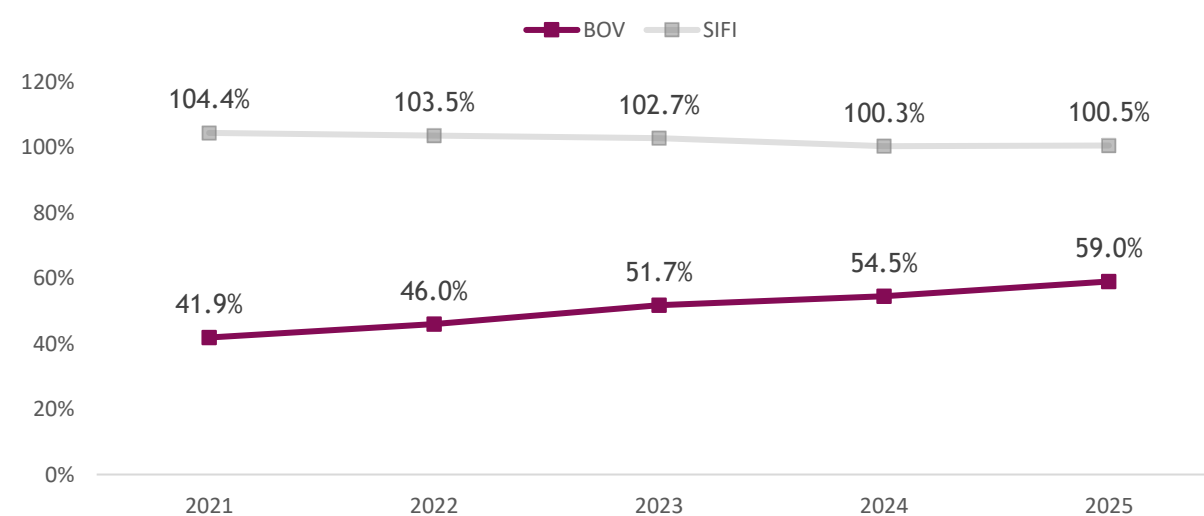
Cost to Income Ratio (%)



ROAE (after tax) (%)



Loans to Deposits Ratio (%)





5. Financial Performance and Balance Sheet Strength

Consistent Earnings Growth and Capital Strength

Operating Performance

Profit Before Tax*
€260.4M

Net Interest Income
€387.4M

Net Fee &
Commission
Income
€88.1M

Total Operating
Income
€496.8M

ROAE
17.9%

Cost To Income Ratio
49.7%

Earnings Per Share
26.7c

Financial Position

Total Assets
€16.5BN

Loan Book
€8.0BN

Investments
€6.9BN

Customer Deposits
€13.7BN

Gross Loans to
Deposit Ratio
59%

CET1 Ratio
20.9%

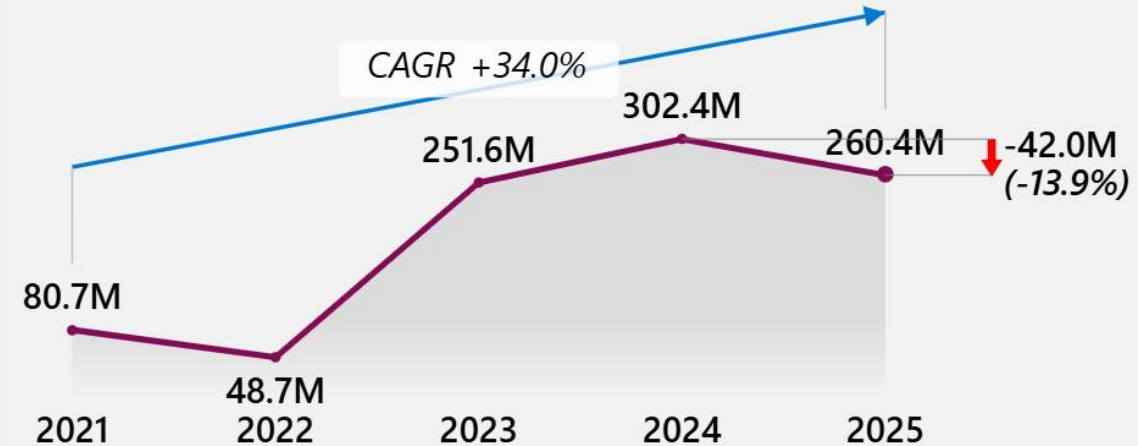
Total Capital Ratio
29.3%

Liquidity Coverage
Ratio
384.4%

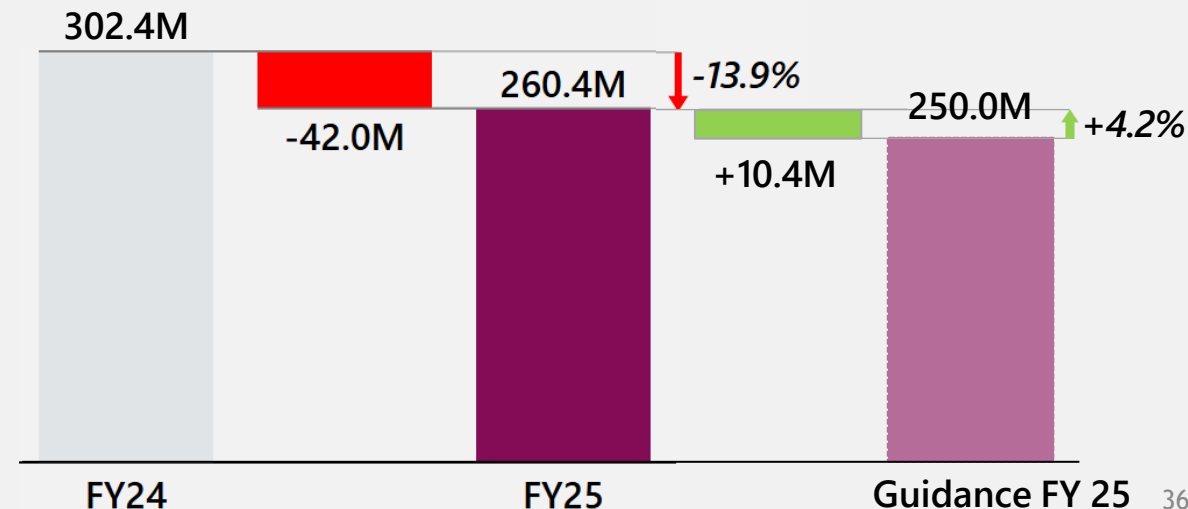
Profit Before Tax

- **Strong Long-Term Trajectory:** despite a 13.9% YoY decrease to €260.4 million in FY 2025, the 5-year PBT trend maintains a compound annual growth rate (CAGR) of +34.0%, marking FY 2025 as the second-highest year on record.
- **Resilient Core Performance:** Operating income exceeded prior-year figures by €12.1 million, reflecting the Group's success in expanding its credit portfolio and minimizing NII volatility through focused balance sheet optimization.
- **Strategic Diversification:** The Bank's commitment to growing and diversifying Net Fees and Commission Income (NFCI) continues to provide a strong buffer to earnings.
- Profit Before Tax for FY2026 expected to be within a range of approximately €210 million to €250 million

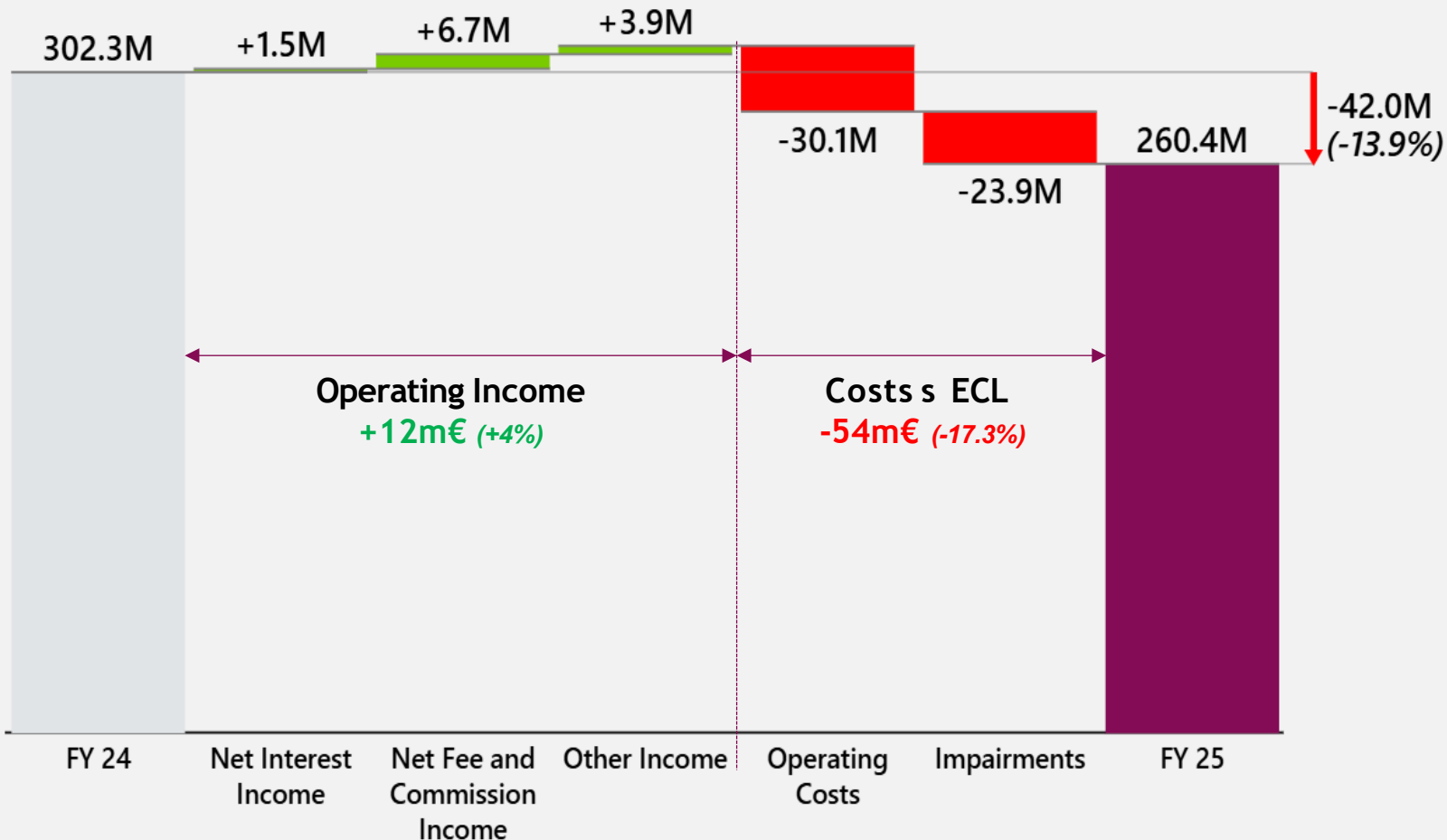
Profit Before Tax: 5-Year Historical Trend



Profit Before Tax - YOY Change



Profit Before Tax: YOY Movement Drivers

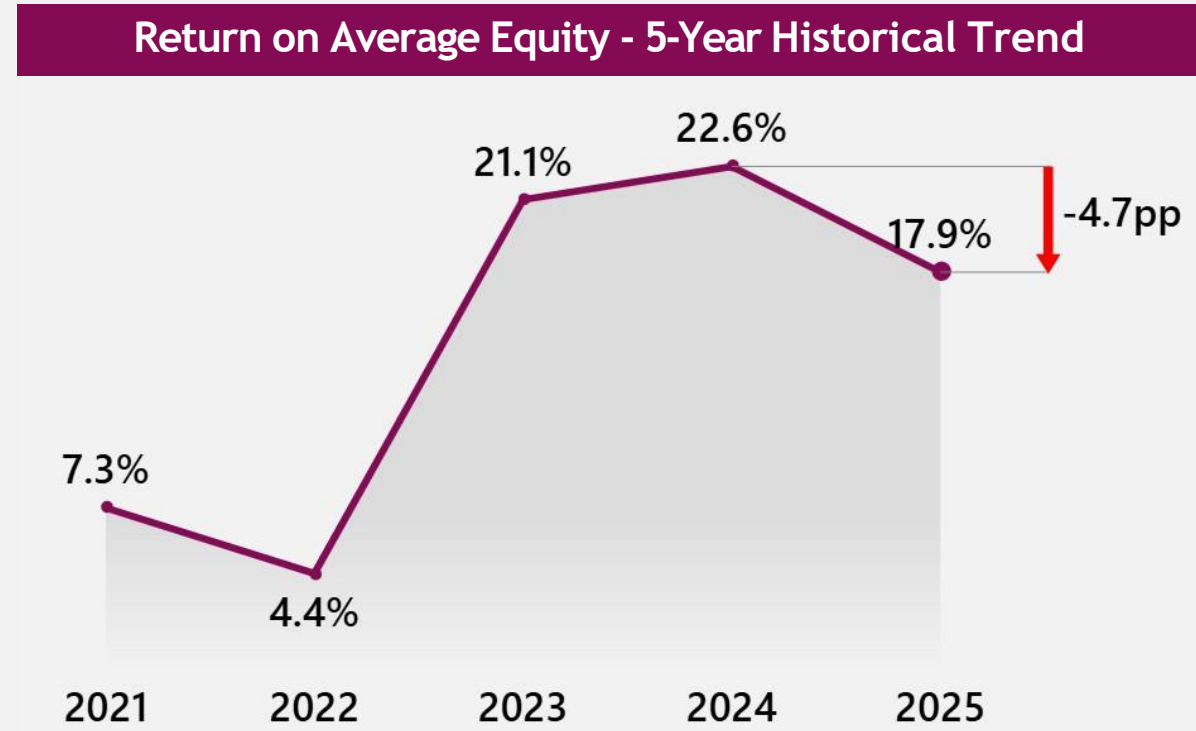


Key Drivers:

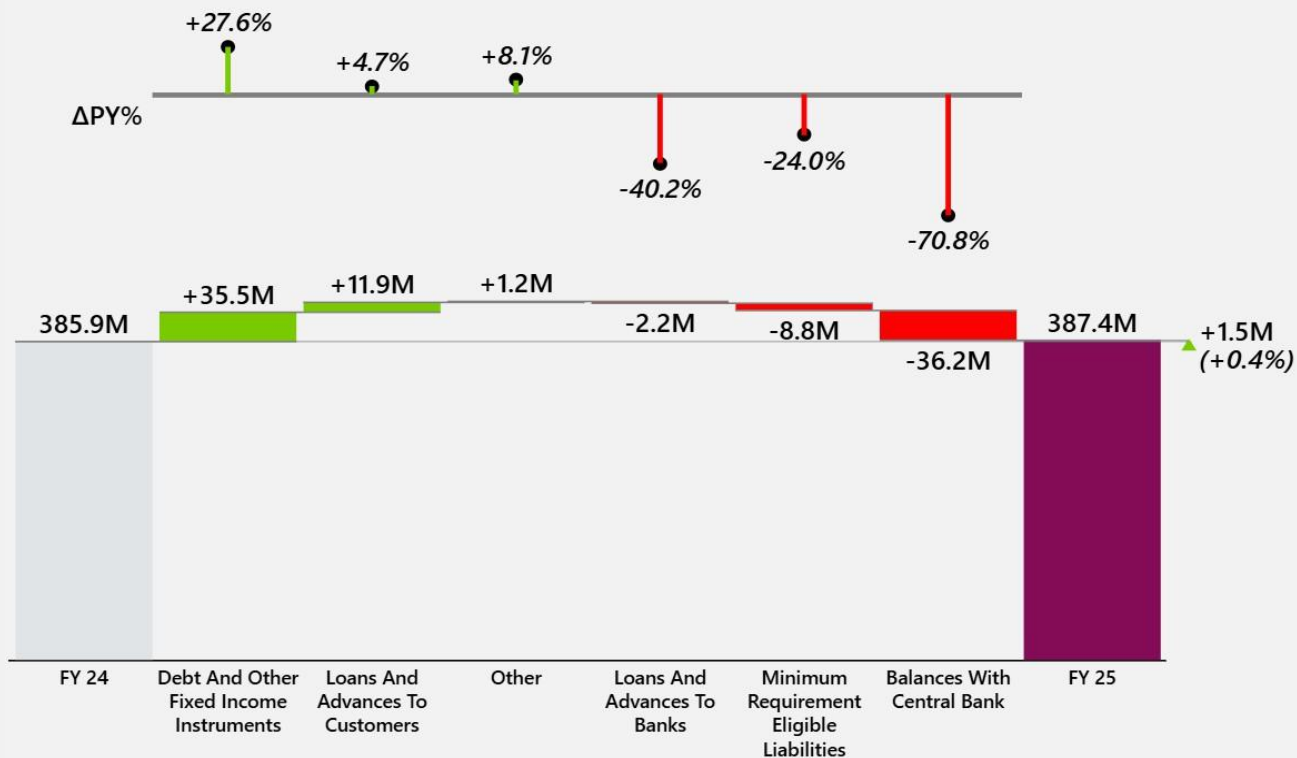
- **Top-Line Momentum:** Positive contributions from NII and NFCI highlight the Group's ongoing commitment to expanding related returns and diversifying income.
- **Cost s Impairment Pressures:** The overall 13.9% YOY drop in PBT was driven by increases in Operating Costs (-€30.1M) and Impairments (-€23.9M), areas the Group continues to actively manage.

Return on Average Equity *[Pre Tax]*

- FY 2025 Pre-Tax ROAE at **17.9%**, comfortably exceeding the Bank's 15% forward looking guidance.
- Maintained historically strong levels despite a 4.7pp YoY normalisation from the FY 2024 peak (22.6%).
- The YoY decrease is primarily driven by lower absolute earnings combined with an increased average equity base.
- Total Group Equity grew by 6.3% to €1.5 billion, as nearly half of the yearly PAT was strategically ploughed back into retained earnings.
- **FY 2026 Guidance Pre-Tax ROAE range 14% - 16%.**

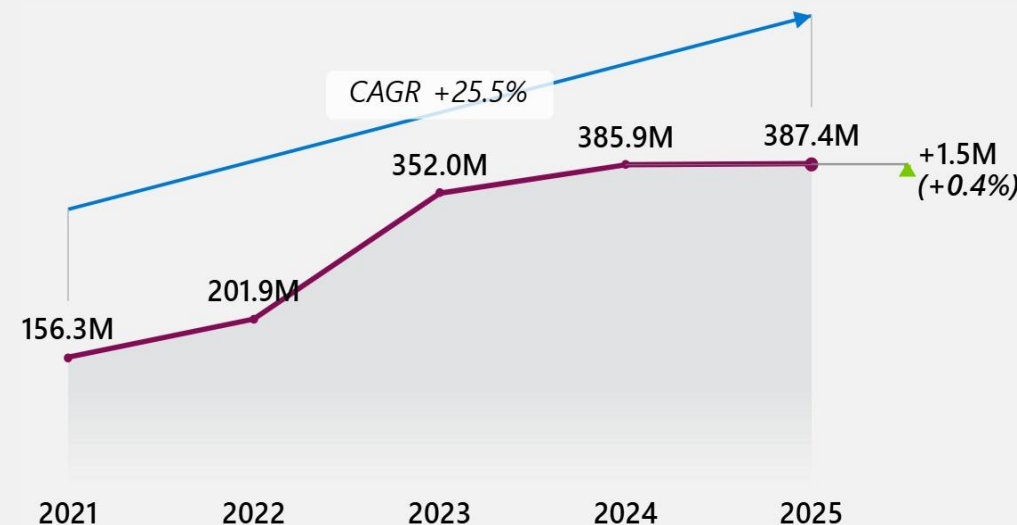


NET INTEREST INCOME - YOY Movement Drivers

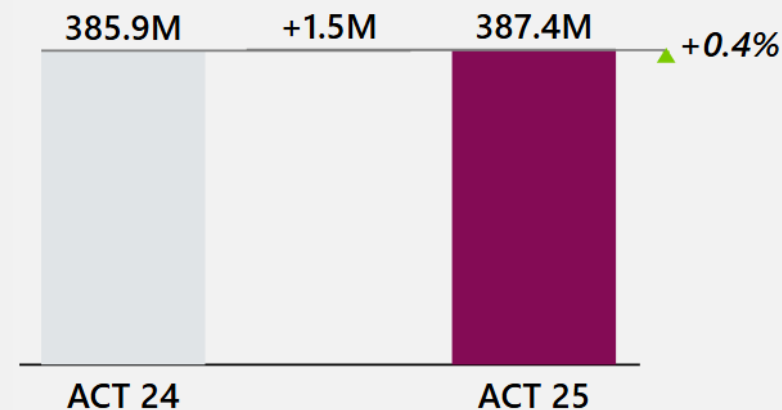


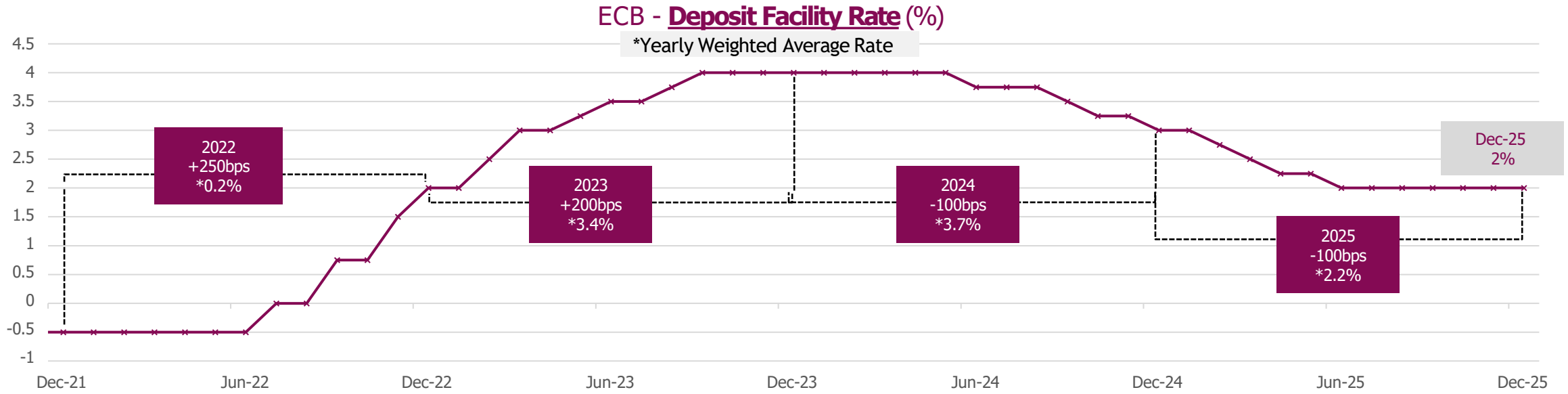
Net Interest Income (NII) remained a key pillar of the Bank’s operating performance in FY2025, increasing to **€387.4 million** and demonstrating strong resilience despite a challenging interest-rate environment.

NET INTEREST INCOME - Trend

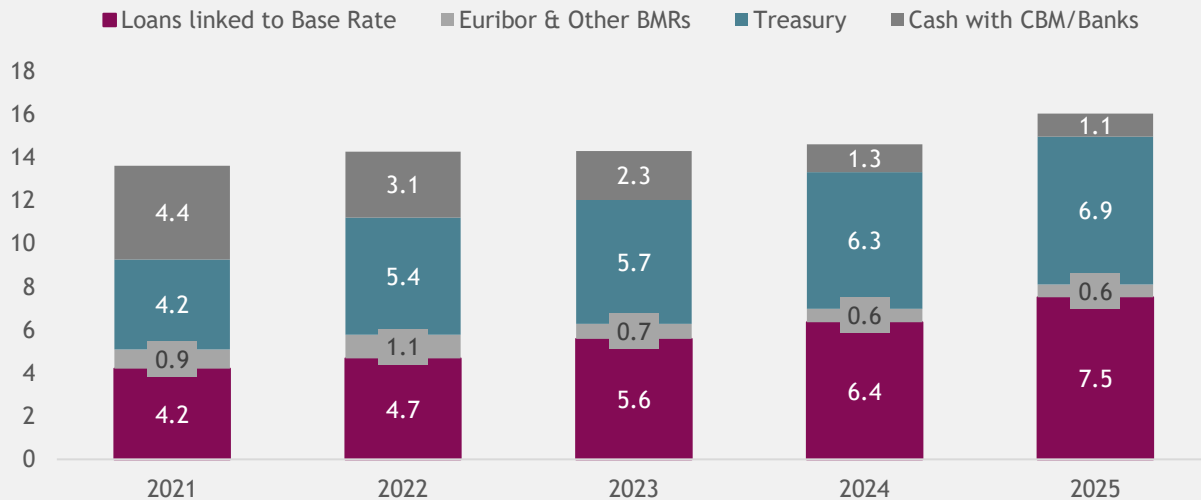


NET INTEREST INCOME - YOY Change

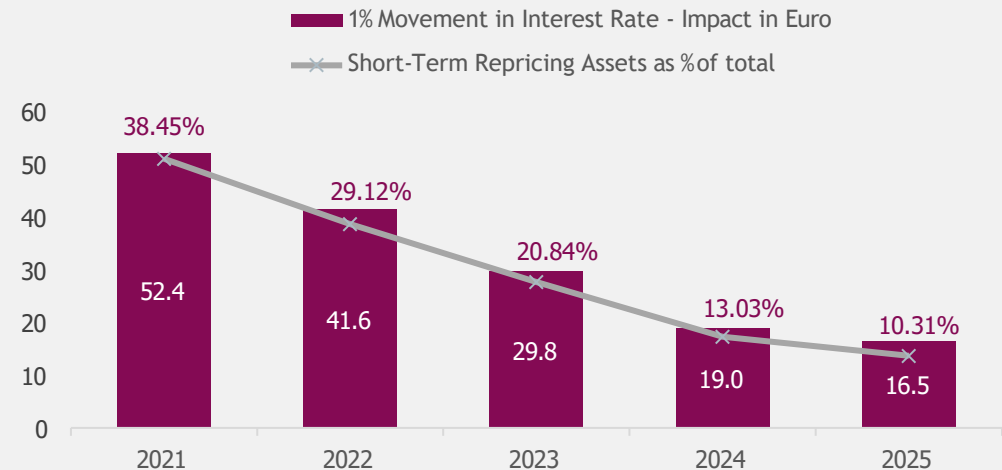




Balance Sheet - Interest Bearing Assets Composition (€b)



Interest Income Sensitivity to 1% Movement (€m)



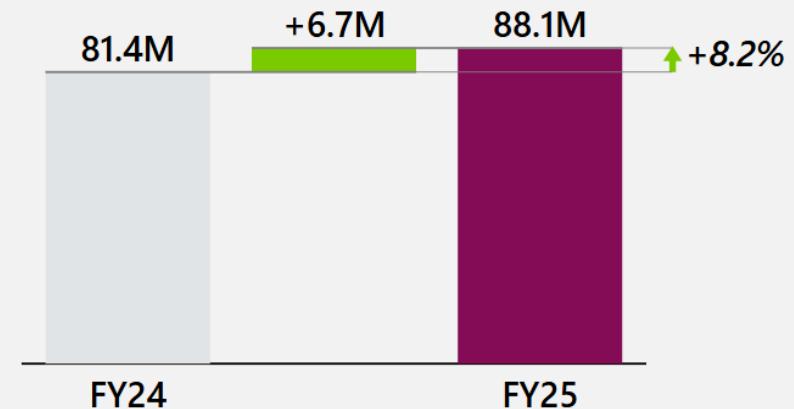
Net Fee and Commission Income

- NFCI continued to strengthen as a core pillar of the Group’s revenue diversification strategy, **increasing by 8.2% to €88.1 million during FY2025.**
- This reflects a deliberate shift, towards broadening fee-based income streams to enhance earnings resilience in an environment of normalising interest rates.
- Growth in NFCI was supported by strong momentum in cards and credit related activities, as well as higher activity in trade-related and investment services, areas which the Bank has been actively developing to provide more value-added solutions to both retail and business customers, contributing **18% of total revenues.**

NET FEE AND COMMISSION - 5-Year Historical Trend

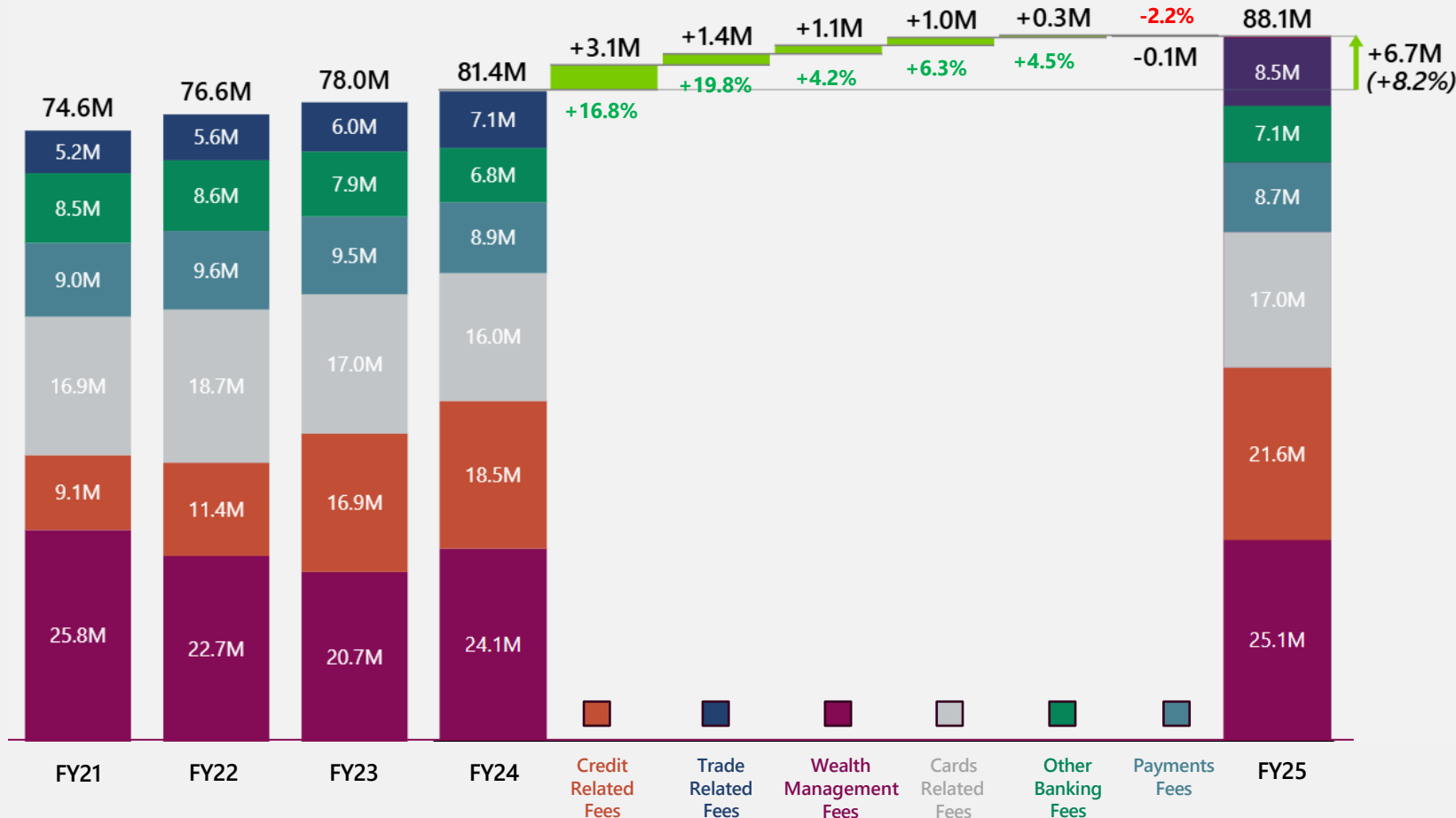


NET FEE AND COMMISSION INCOME - YOY Change



Net Fee and Commission Income

Net Fee and Commission Income increased by €6.7 million year-on-year, driven by improved customer activity and deeper engagement across all key business lines. This increase highlights the robustness of the Bank’s revenue diversification strategy and the continued shift toward more sustainable, service-based income.



Segment Contributions

- **Credit-related service (+€3.1M):** benefiting from strong sanctioning activity
- **Trade-related and investment services (+€2.5M),** both areas of strategic growth
- **Cards and Payments (+€0.9M),** reflecting higher transaction volumes

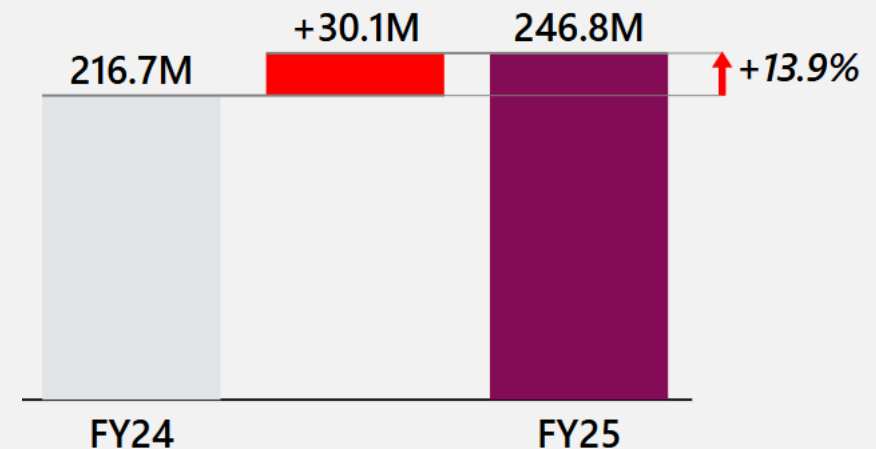
Retail and business banking channels, continued to deliver increased value-added, contributing in the Group’s ability to grow stable, recurring fee-based revenues

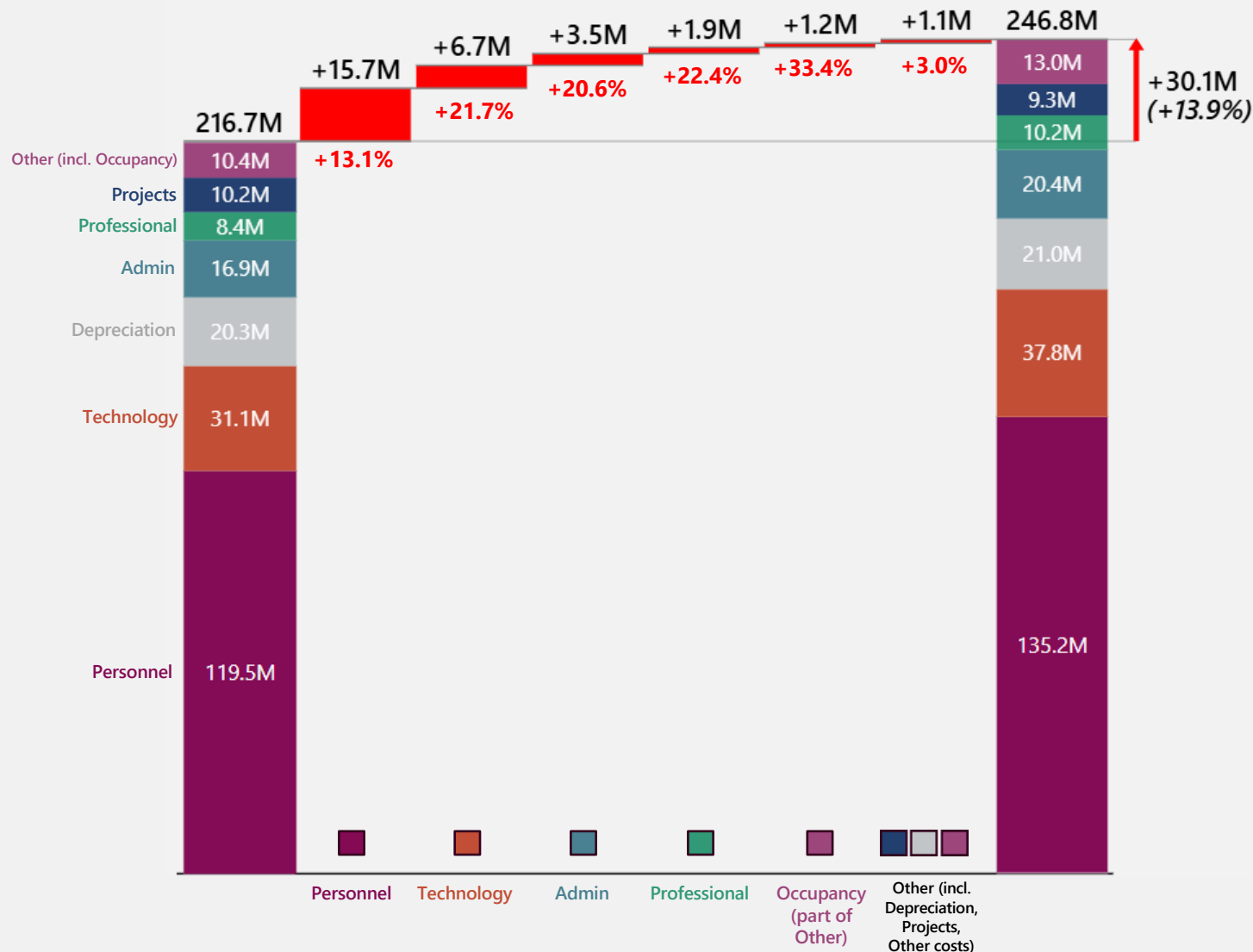
- Operating costs increased to €246.8 million in FY25, up from €216.7 million in FY24, representing a €30.1 million increase or +13.9% year-on-year.
- This rise reflects deliberate and targeted investments supporting the Bank’s long-term strategic priorities, including technology investments, digital transformation, risk management enhancements, and strengthening customer-facing capabilities.
- Overall, the cost profile for FY2025 reflects a careful balance between investing for strategic progress and maintaining prudent cost discipline, ensuring that the Bank remains well-positioned to deliver sustainable improvements in efficiency and performance in the years ahead.

OPERATING STRATEGY COSTS - 5-Year Historical Trend



OPERATING STRATEGY COSTS- YOY Change





Key Drivers:

- Personnel costs reflecting continued investment in specialised skills across technology, cybersecurity, risk, and customer-facing roles.
- Technology and cybersecurity spending supporting major digital-transformation programmes and resilience enhancements.
- Strategic expenditures linked to multi-year transformation initiatives.
- Professional fees: tied to regulatory, modelling, and specialist advisory support.

Expenses aligned with the Bank’s priorities to modernise operations, enhance governance, and strengthen customer experience.

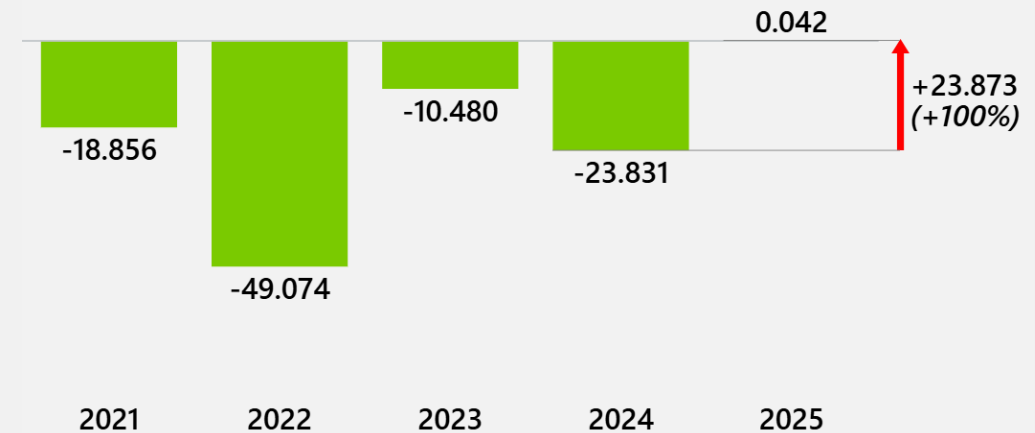
Impairments Charge/Reversal

Expected Credit Losses: The movement in Expected Credit Losses ('ECL') for the year resulted in a net charge of €0.04 million (2024: €23.8 million reversal). The charge primarily reflects higher model-driven ECL on the credit portfolio, driven by shifts in credit quality (PD) and changes in collateral valuations (LGD). These increases were partially offset by €3 million in recoveries recorded during the year.

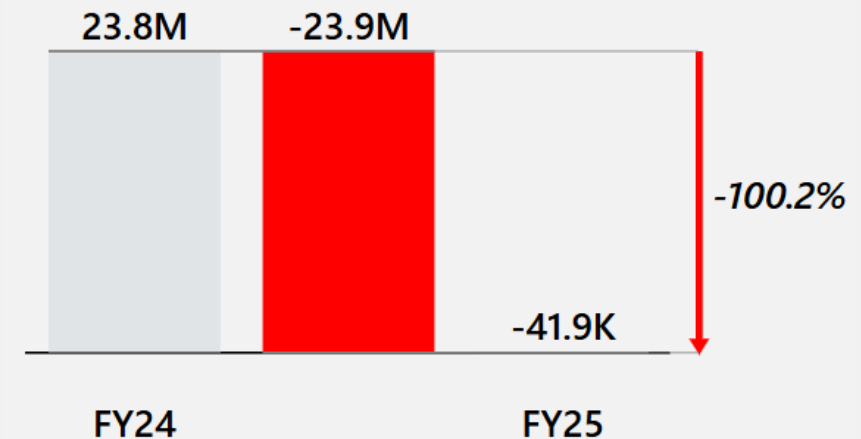
The net value of **non-performing debt written off** for the period (after recoveries) increased compared to the prior year. This increase is mainly due to a few large amounts, particularly long outstanding NPLs, which were written off during the year.

The amount of **legacy non-performing loans (NPLs)** continued to decline, with coverage at 100% and only a minimal share of the portfolio remaining, reflecting reductions driven by the write-off of long-outstanding non-performing loans.

EXPECTED CREDIT LOSSES - 5-Year Historical Trend

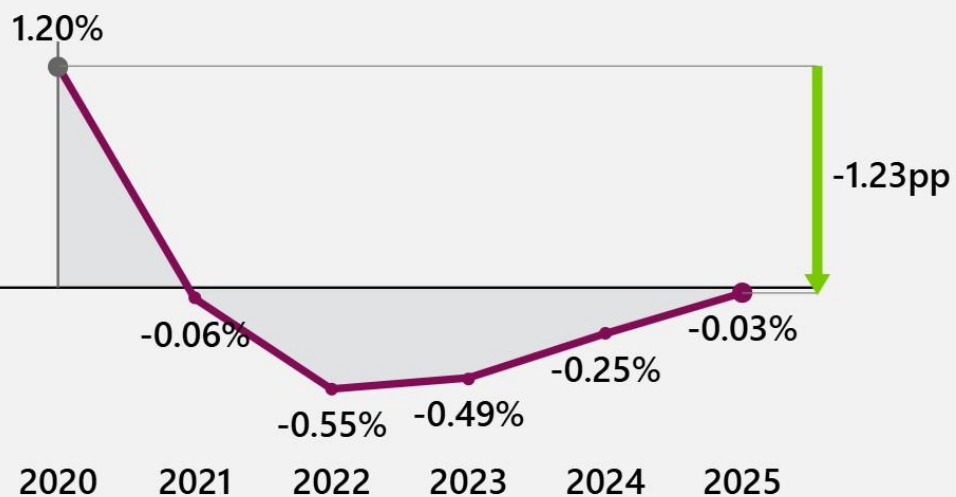


EXPECTED CREDIT LOSSES - Year on Year Change



Cost of Risk* ECL excl. Bad Debts

BOV Group - Historical Trend



*Cost of Risk metrics presented relate exclusively to ECL movements (Stage 1-3) and do not include Bad Debts and Recoveries. The ratio is calculated using the year-on-year change in ECL allowance divided by average gross advances for each portfolio and aggregated level.

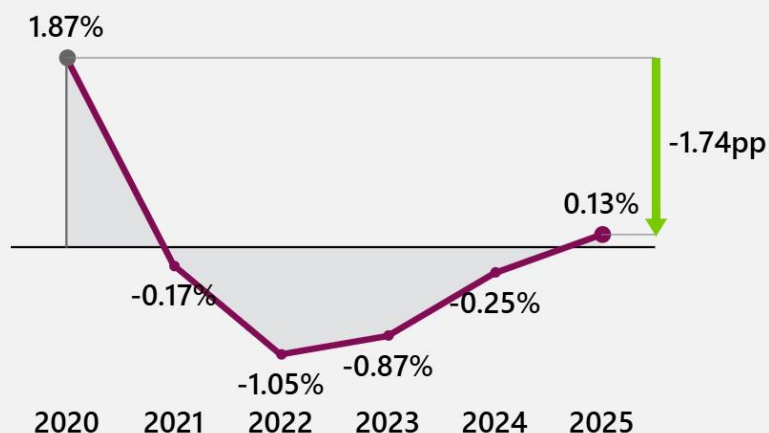
HOME LENDING - Historical Trend



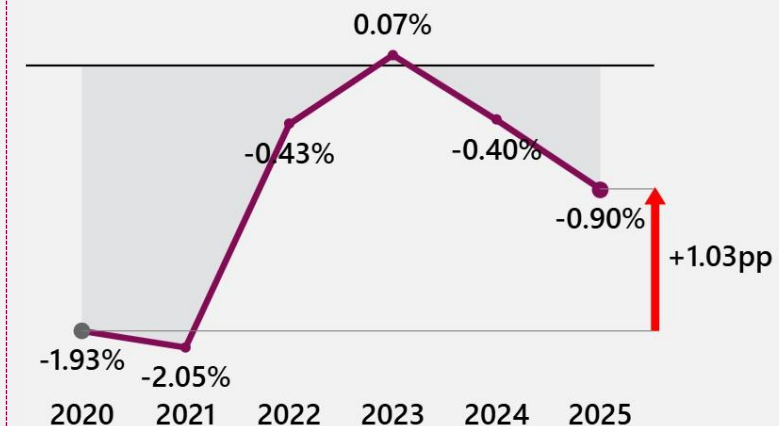
PERSONAL - Historical Trend



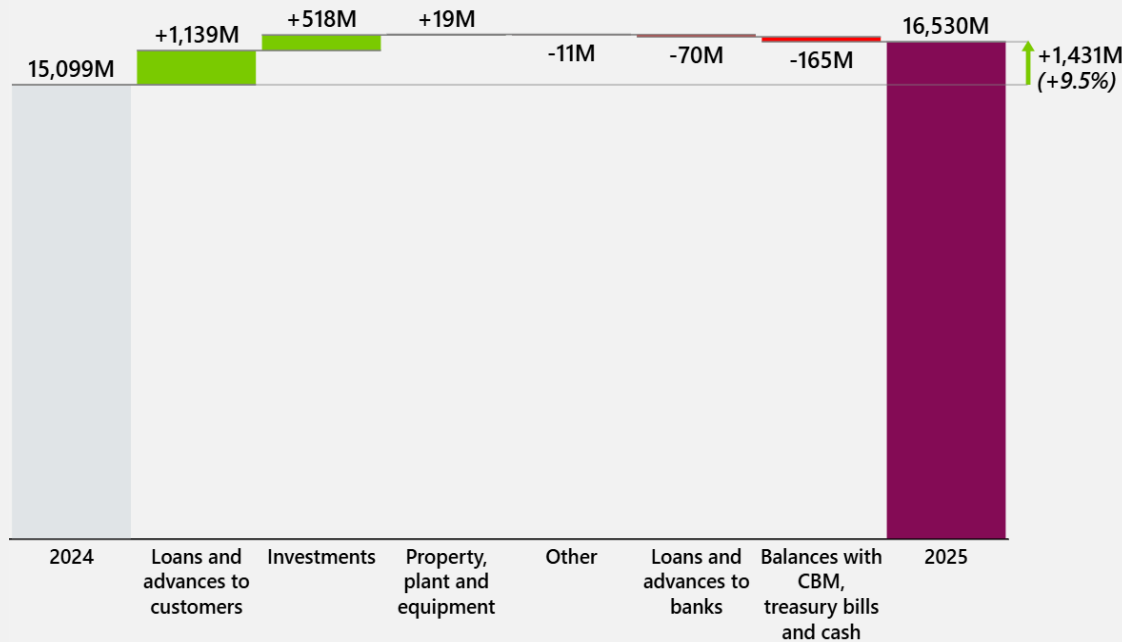
CORPORATE - Historical Trend



CARDS - Historical Trend



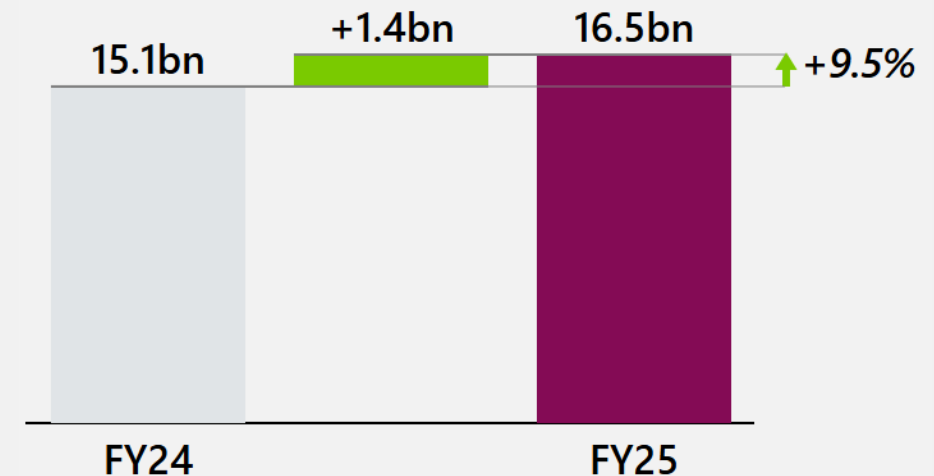
TOTAL ASSETS - YOY Movement Drivers



TOTAL ASSETS - 5-Year Historical Trend



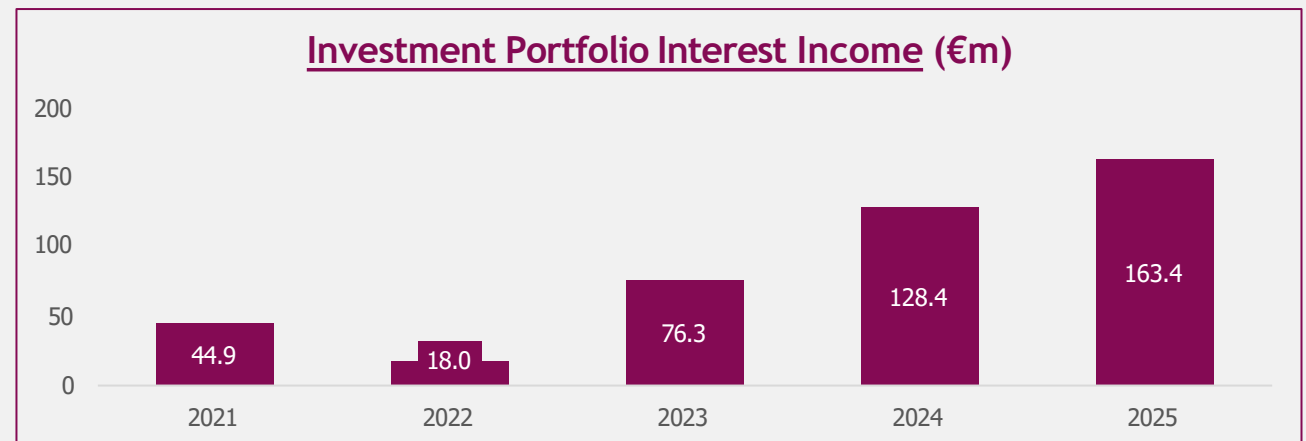
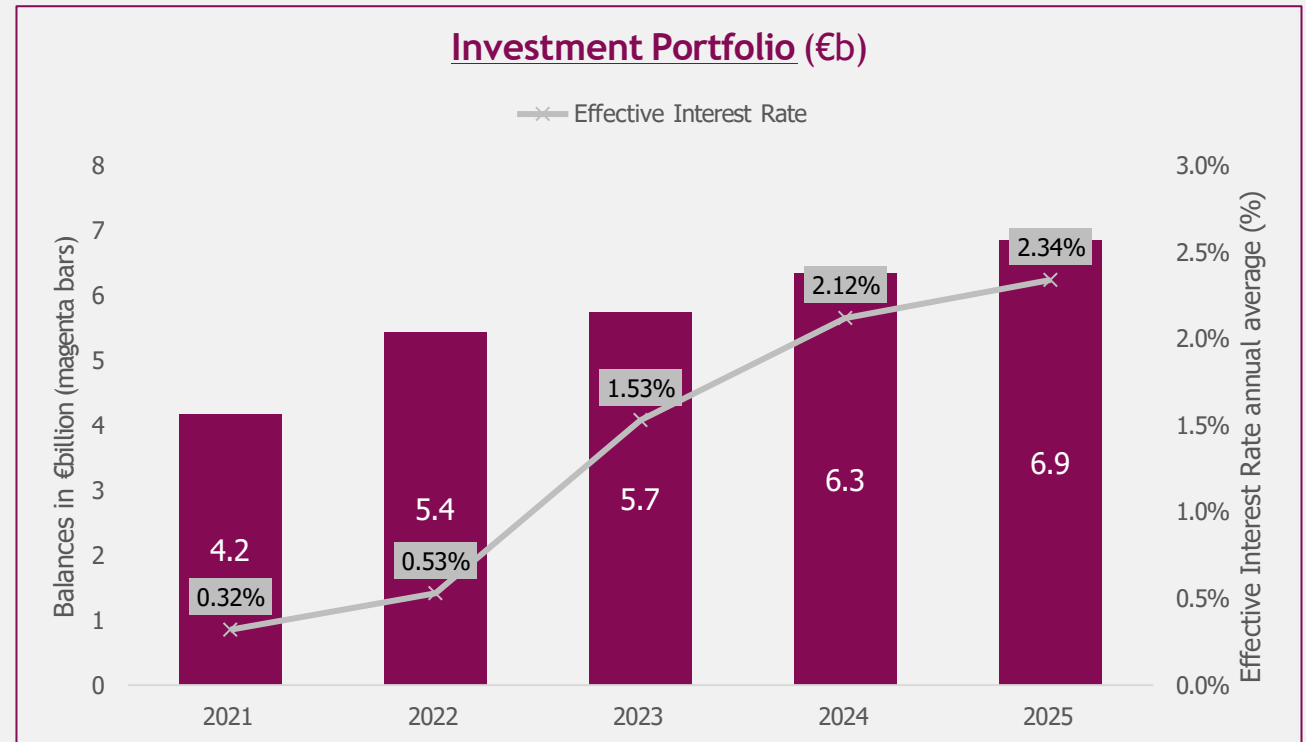
TOTAL ASSETS - Year on Year Variance



- Total assets grew steadily over 2021-2025, reaching €16.5bn in FY25 and delivering a CAGR of 3.6%. After a relatively flat period up to 2023, balance sheet growth accelerated in FY24 and FY25, with the €1.4bn increase in FY25 signalling renewed momentum driven by stronger customer activity and more effective use of liquidity.

Investment Portfolio

- The Bank continues to deliver **progressive growth in its investment portfolio**, supported by disciplined asset allocation and favourable market conditions.
- Year on Year **interest income on the Bond Portfolio increased by 27%**.
- The Bank's **hold-to-maturity** business model remains unchanged, supporting earnings stability and reducing exposure to short-term market volatility.
- The Treasury Bond Portfolio is **conservatively positioned**, with approximately 88% invested in government and supranational debt and securities rated A- or higher accounting for 94%, underscoring a **strong focus on credit quality, liquidity and capital preservation**.



Sustained Loan Growth Reinforcing Balance Sheet Strength

Sustained expansion of the loan book

Customer loans increased consistently over the last 5 years, delivering a CAGR of 11.9%, reflecting the strong underlying credit demand.

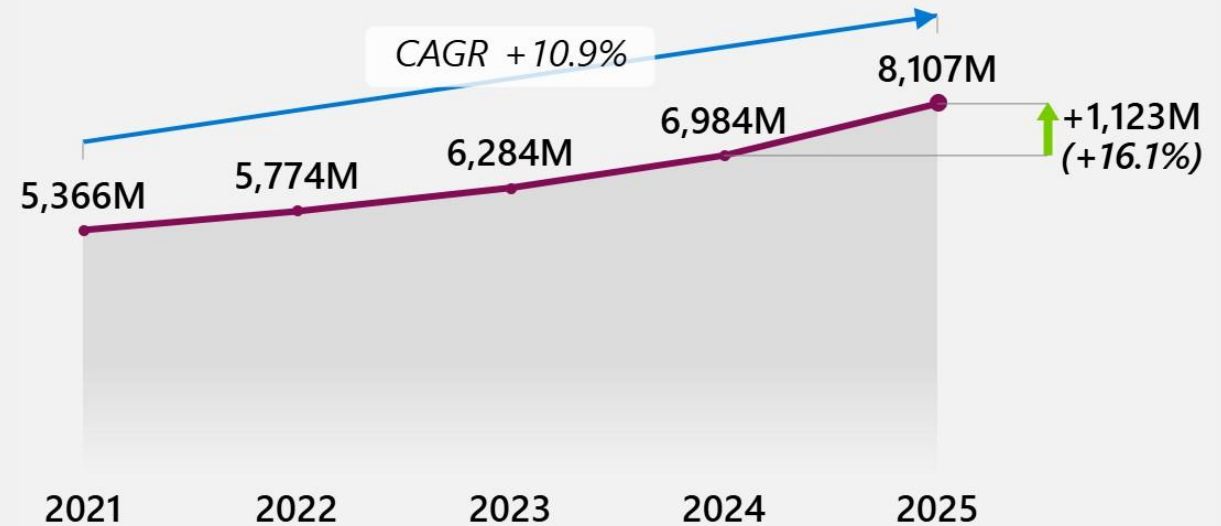
Strong growth in FY2025

The loan book expanded by €1.1bn (+16.1%) between FY24 and FY25, marking the strongest annual increase in the five-year period. Growth was broad-based across retail and corporate segments, supported by sustained economic activity and the Bank's active engagement in key lending markets.

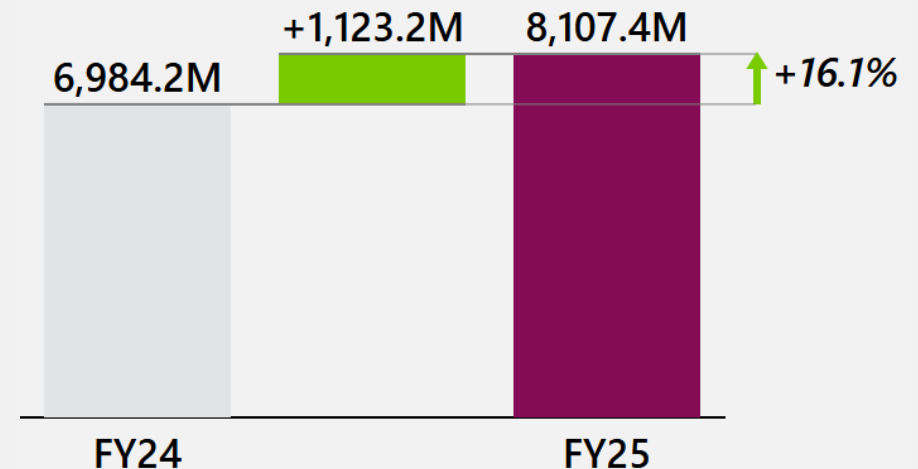
Reinforcement of core asset composition

The acceleration in customer lending further strengthens the balance sheet's core asset base, increasing the share of productive, income-generating assets. This shift enhances the long-term resilience of the balance sheet and aligns with the Bank's strategic focus on supporting real-economy financing.

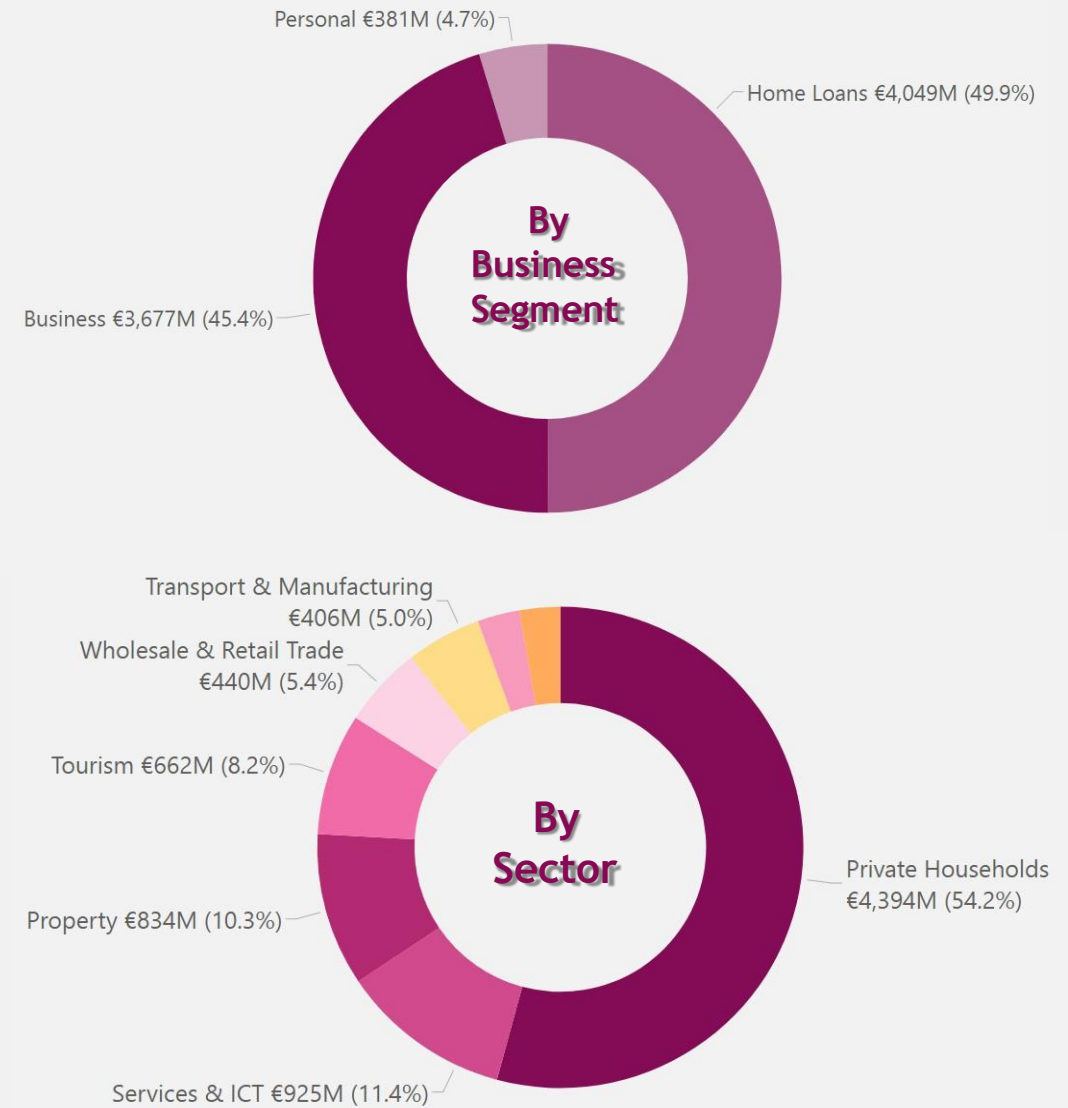
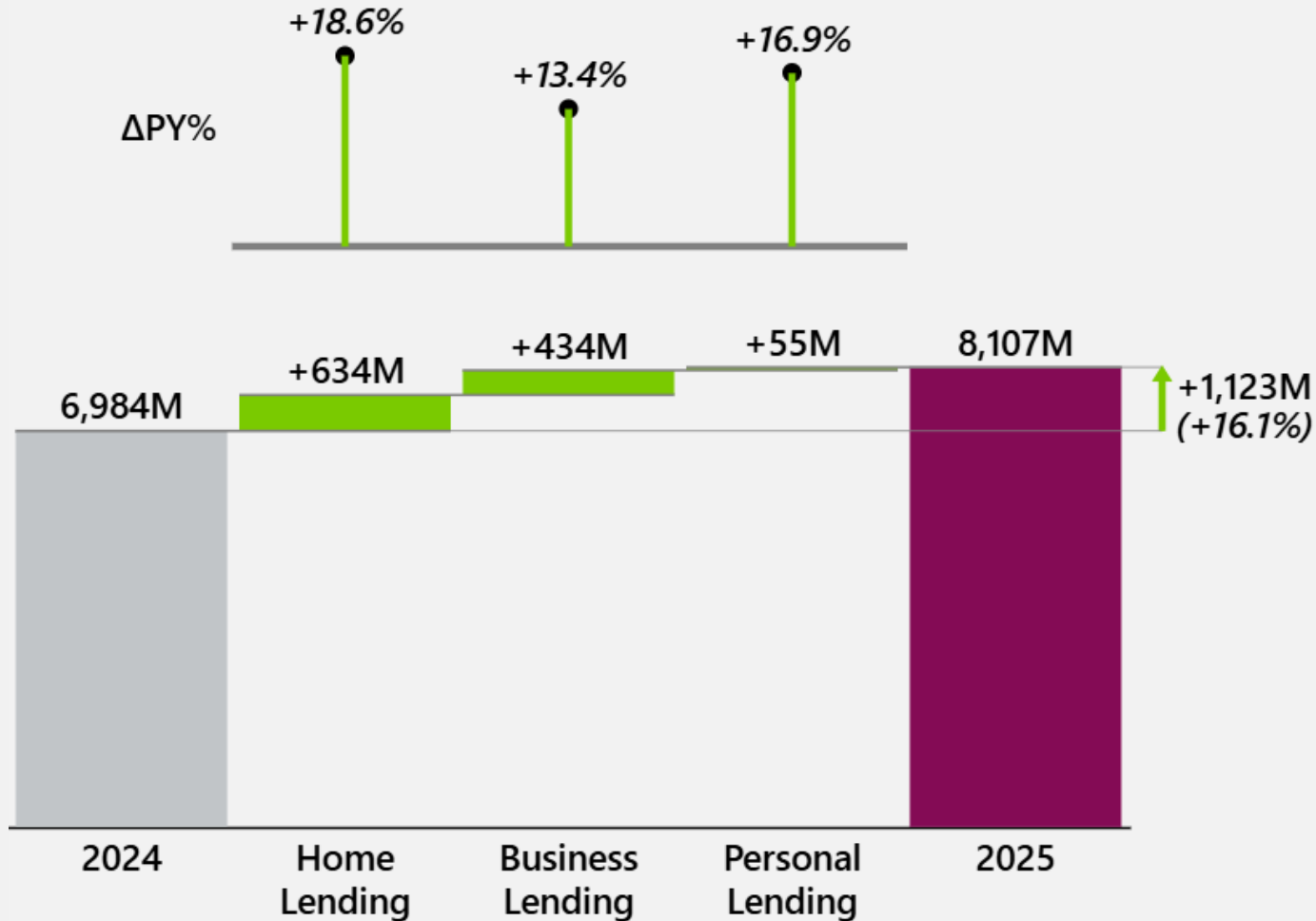
GROSS LOANS AND ADVANCES TO CUSTOMERS - 5-Year Trend



GROSS LOANS AND ADVANCES TO CUSTOMERS - YOY Movement



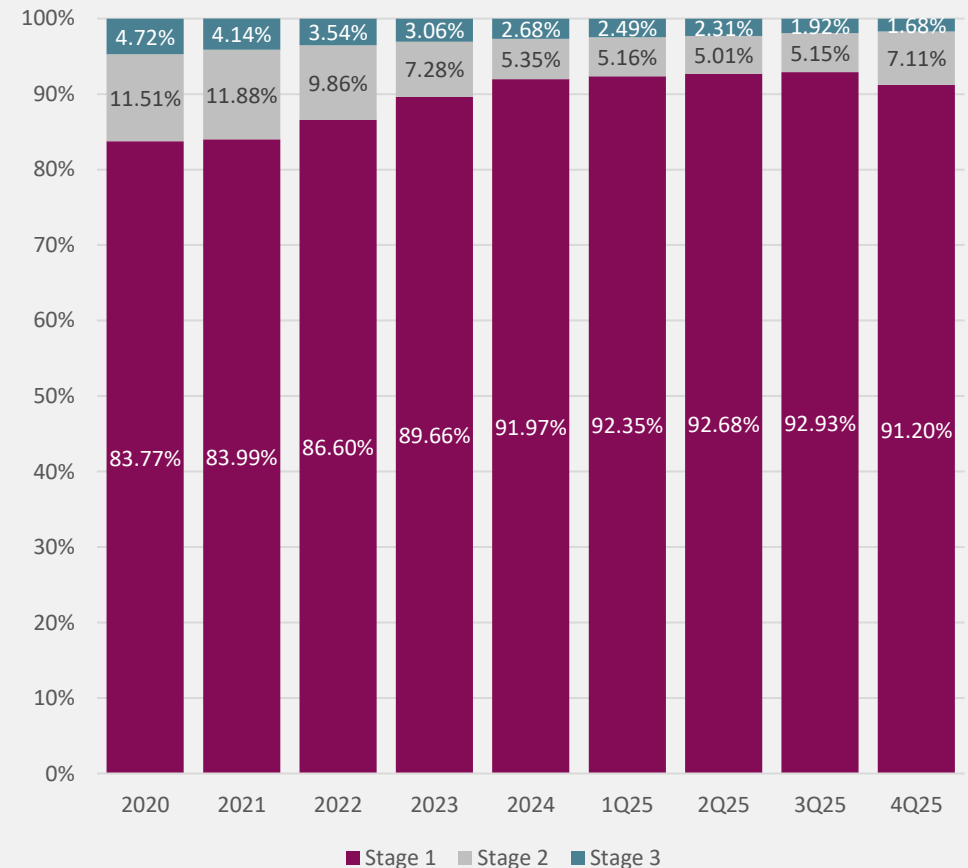
Loans to customers **€8.107bn** (Gross amount)



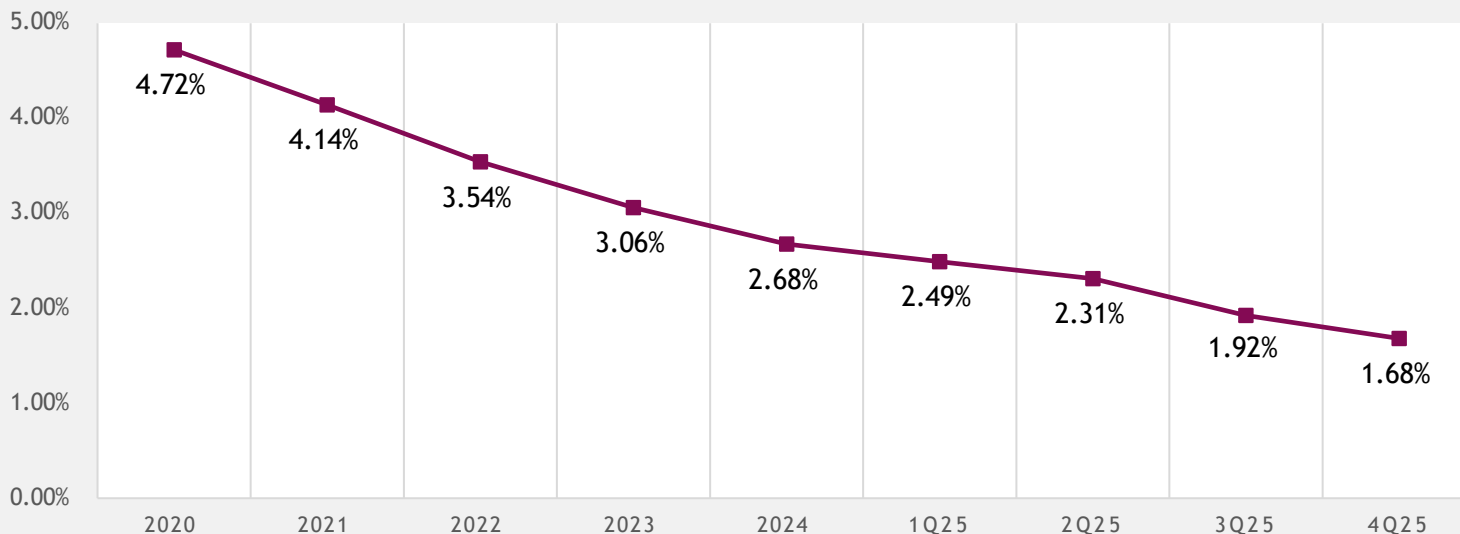
Improved Credit Quality and Coverage Ratios

- **NPE Ratio:** 1.68% in December 2025 (down from 2.68% in December 2024) with improvements being registered on all main portfolios. Stage 3 assets declined materially during the year and, excluding portfolio growth, the NPE ratio would have stood at 1.95% at year-end.
- **Asset Quality:** 7.11% in December 2025 (up from 5.35% in December 2024) with deteriorations being registered on the Business & Home lending portfolios, mainly due to the downgrade of one particular customer and shifts to Stage 2 on the home loans portfolio following the latest calibration of the ICRS.
- **Coverage Ratio:** 59.35% in December 2025 (up from 42.73% in December 2024) mainly as a result of increase prudential provisions.

GROSS EXPOSURES BY IFRS 9 STAGE



NON PERFORMING EXPOSURES AS % OF TOTAL BALANCES

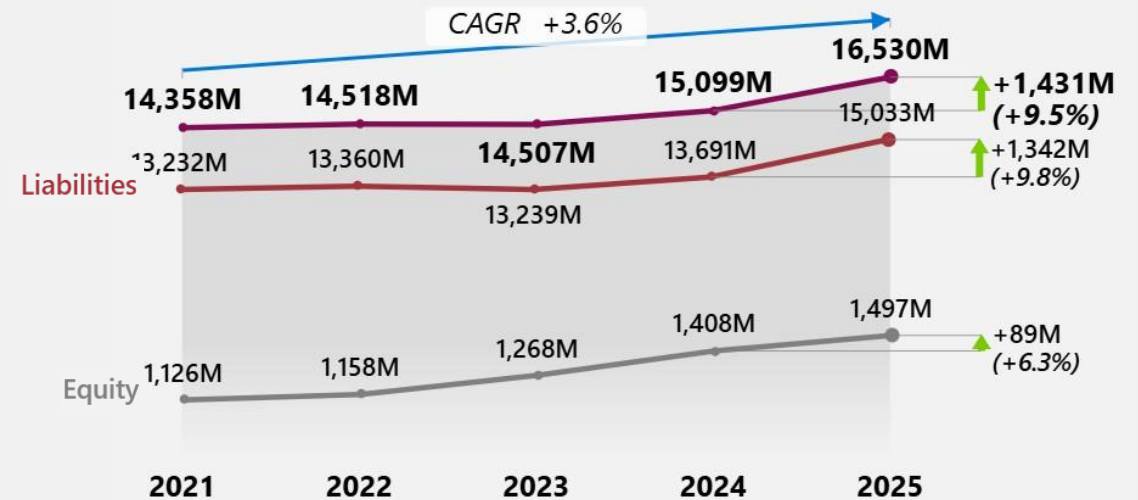


Robust Growth Trajectory: The Group closed FY25 with a notably strengthened balance sheet, expanding by 9.5% year-on-year to reach €16.5 billion. The 5-year trend maintains a steady, positive trajectory (CAGR +3.6%), underscoring sustained momentum.

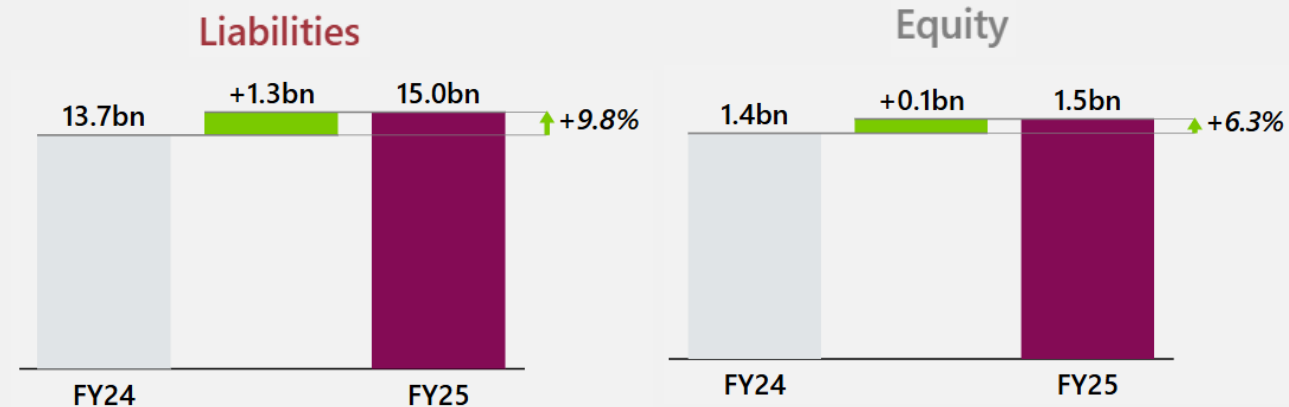
Stable Liability Generation: Total liabilities increased by €1.3 billion (+9.8%) to €15.0 billion. This structurally sound expansion is anchored by highly resilient customer deposit inflows and the strategic diversification of long-term wholesale funding sources.

Strengthened Capital Base: Total Group Equity grew organically by €89 million (+6.3%) to reach nearly €1.5 billion. This continuous capital accretion is driven by sustained profitability and the prudent retention of earnings (plough-back of yearly PAT), ensuring capital buffers remain comfortably above regulatory requirements.

LIABILITIES & EQUITY - 5-Year Historical Trend

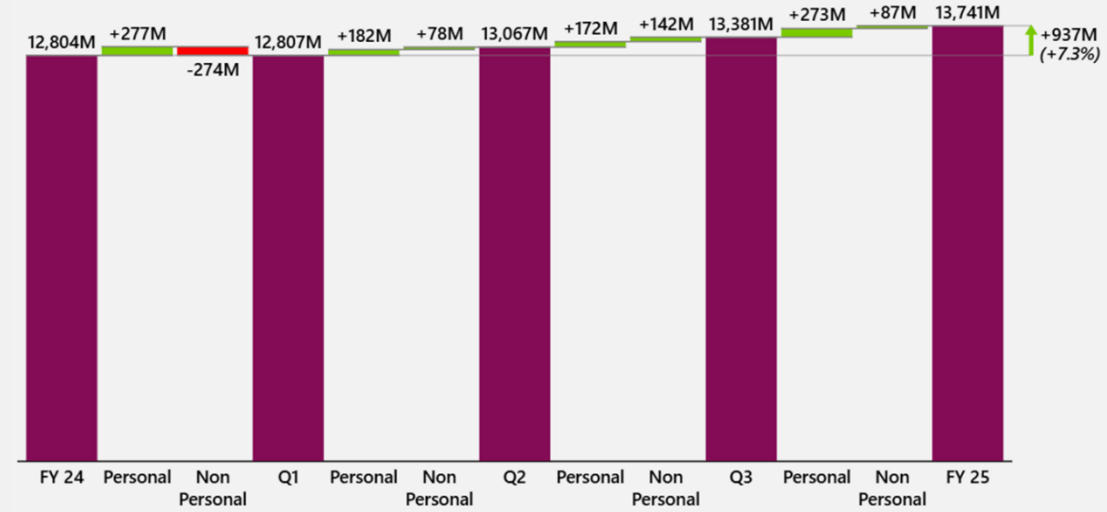
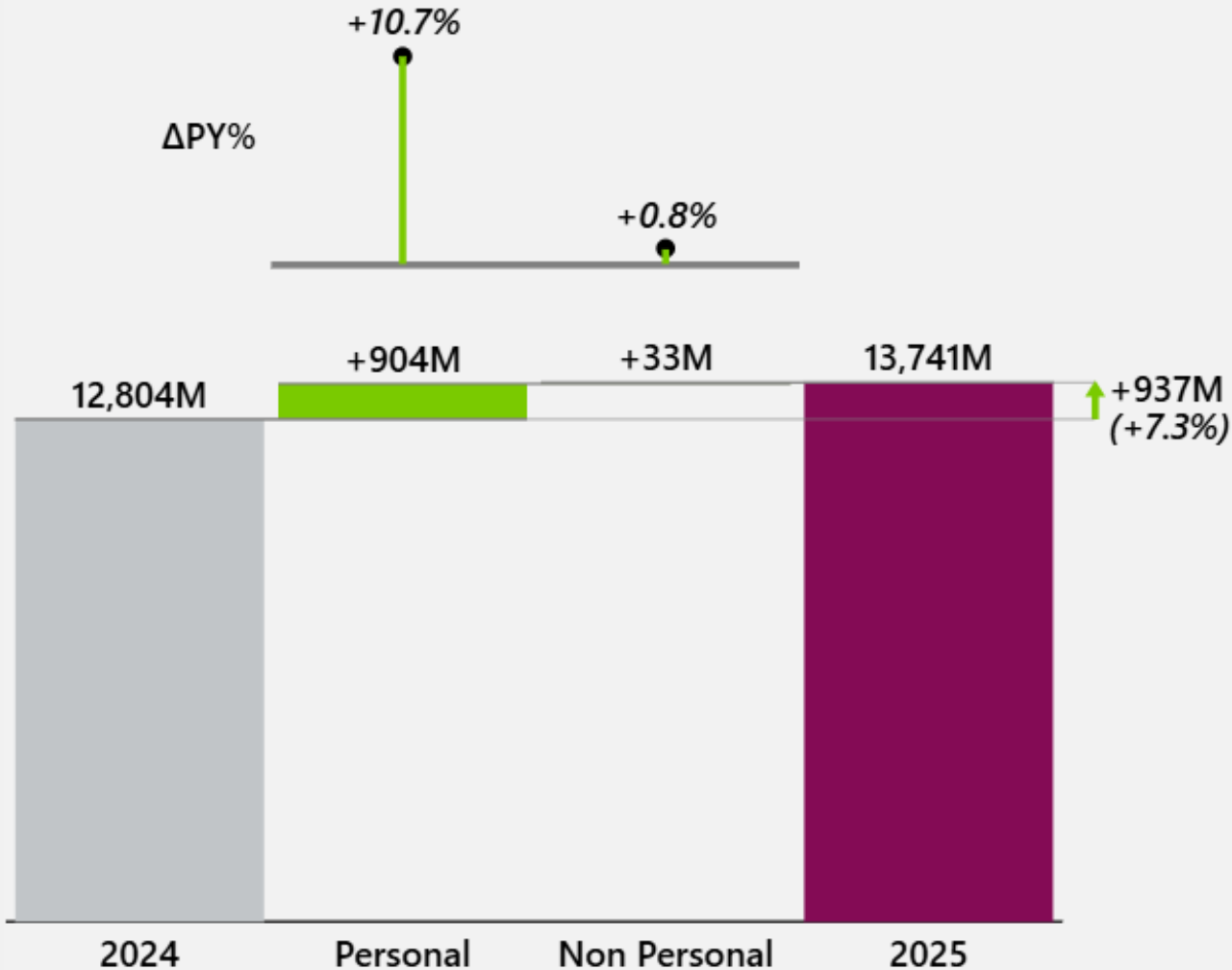


LIABILITIES & EQUITY - YOY Movement

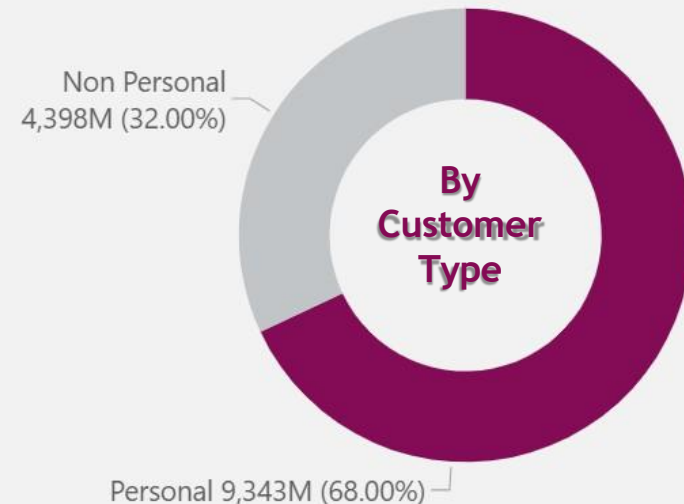


Deposits analysed by Segment and Customer Type

Amount owed to customers **13.741 bn€**



● Personal ● Non Personal



- The Group expects to maintain a **resilient operating performance** throughout FY2026.
- **Profit Before Tax is guided between €210 million and €250 million**, with pre-tax RoAE in the mid-teens.
- Overall income growth is expected to remain broadly in line with recent years.
- Net interest income is projected to be moderately higher than FY2025, supported by balanced loan growth and balance-sheet optimisation.
- Fee and commission income is expected to remain stable to modestly higher.
- Operating costs will increase modestly due to continued investment in transformation initiatives.
- The cost-to-income ratio is expected to remain in the low-to-mid-50% range during FY2026.
- Loan growth of around 10% is expected, with credit quality remaining sound.
- Capital and liquidity buffers are projected to remain comfortably above regulatory requirements.
- Distributions are expected to remain capped at up to 50% of FY2026 PAT, subject to conditions.



6. Capital and Funding Strategy

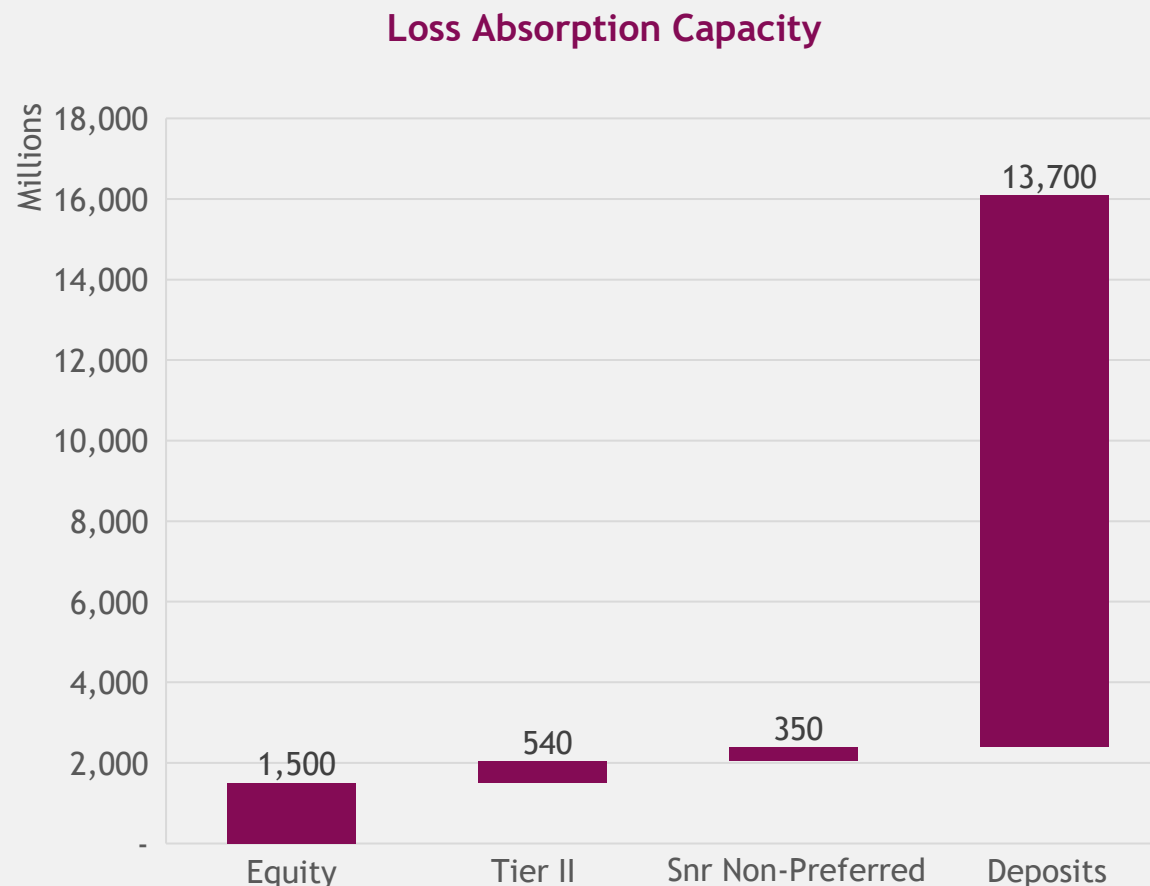
BOV maintains a clearly structured capital and liability stack that provides substantial protection to depositors through multiple layers of loss-absorbing capital.

Strong junior buffers: Equity and Tier 2 instruments provide c.EUR 2.0bn of first-loss and gone-concern absorption capacity.

Dedicated bail-inable debt: Senior Non-Preferred (€0.35bn) enhances MREL compliance and structurally shields deposits.

Depositor protection: Deposits sit at the top of the stack and would only be affected after the full exhaustion of equity, Tier 2 and Senior Non-Preferred instruments.

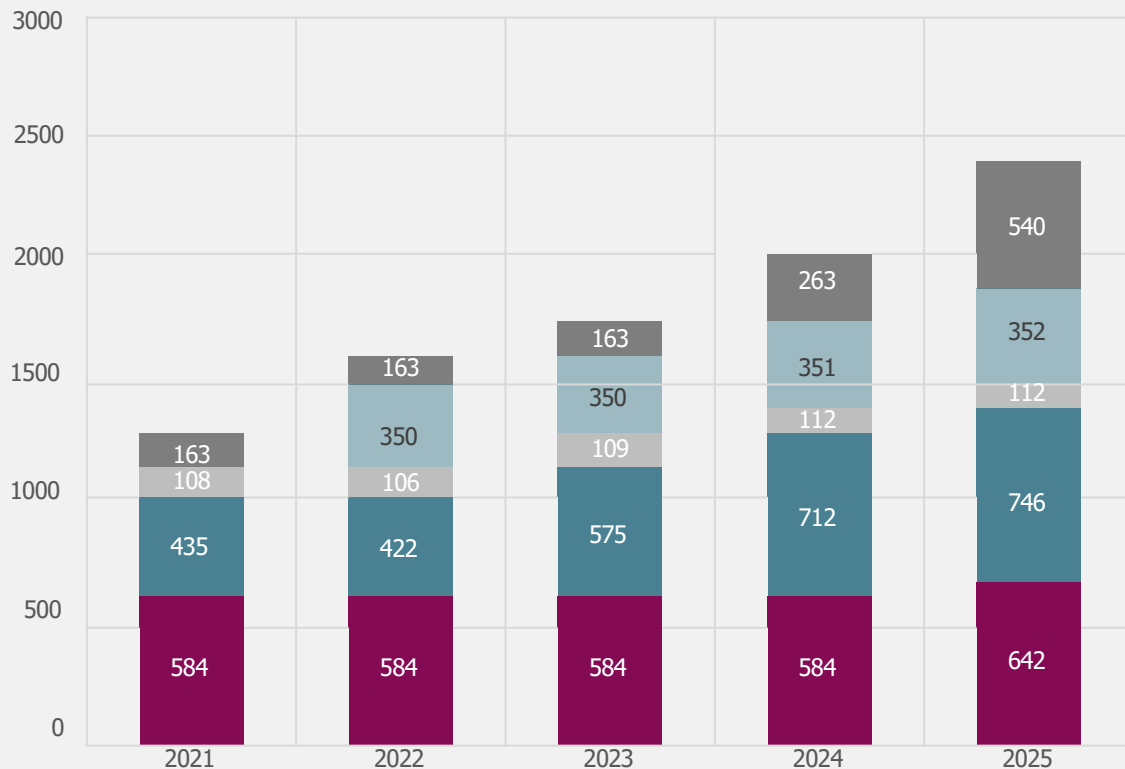
Resolution-ready structure: Capital stack is aligned with BRRD resolution principles and supports orderly loss allocation if required.



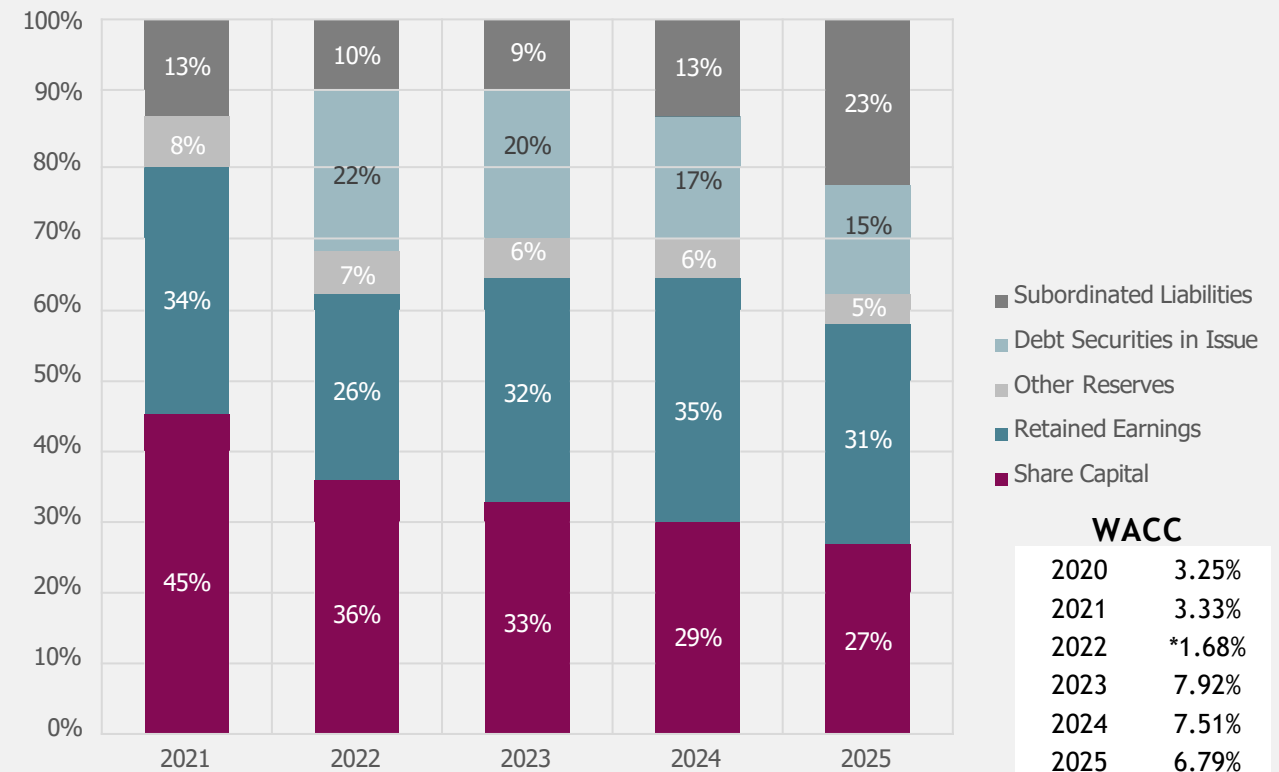
Optimising Cost of Capital

The issuance of Tier 2 subordinated instruments broadens the bank’s funding mix and enhances its regulatory capital stack without diluting shareholders. This measure support a more diversified and efficient capital structure.

Capital Structure (€m)



Capital Structure (%)

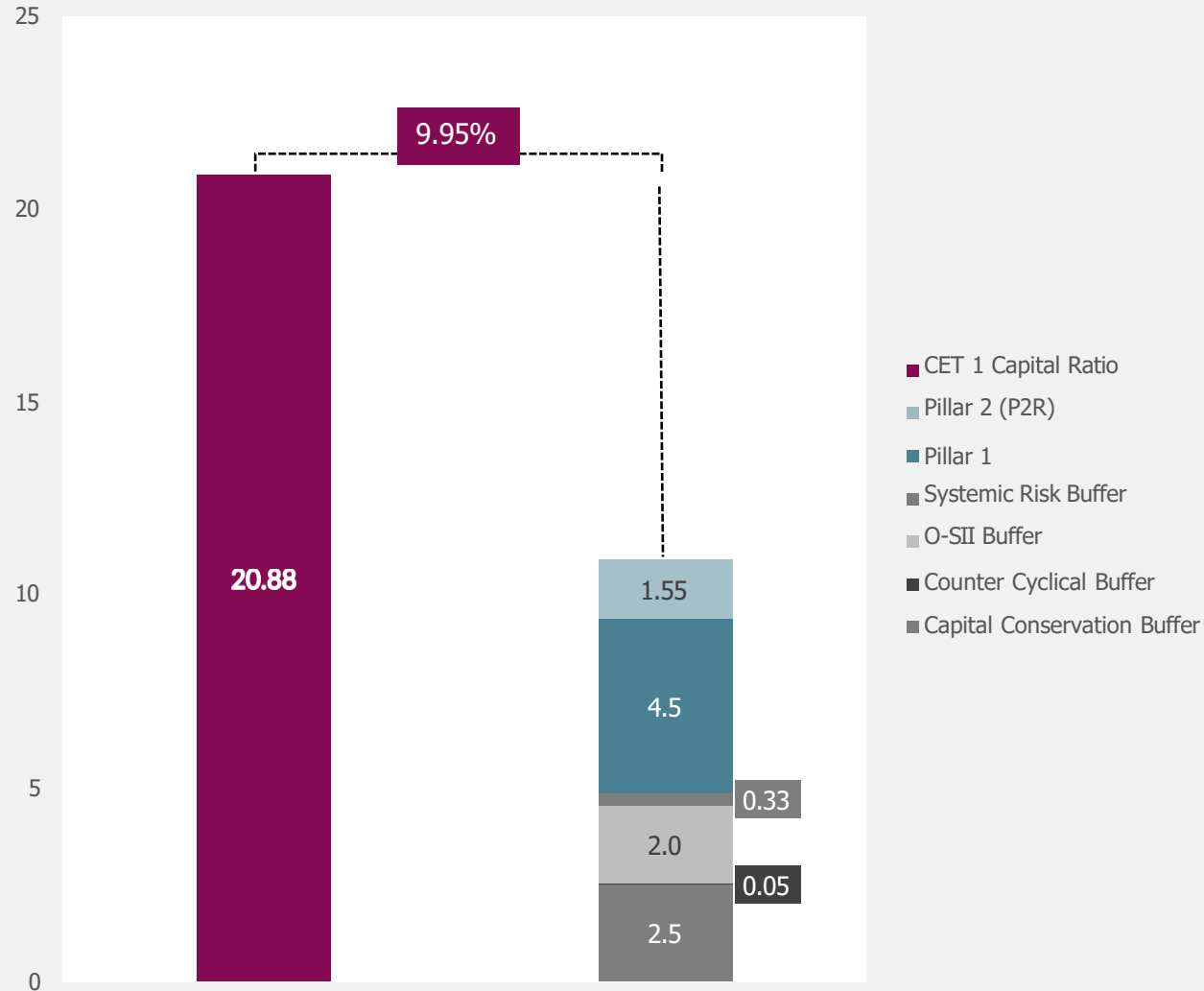


WACC

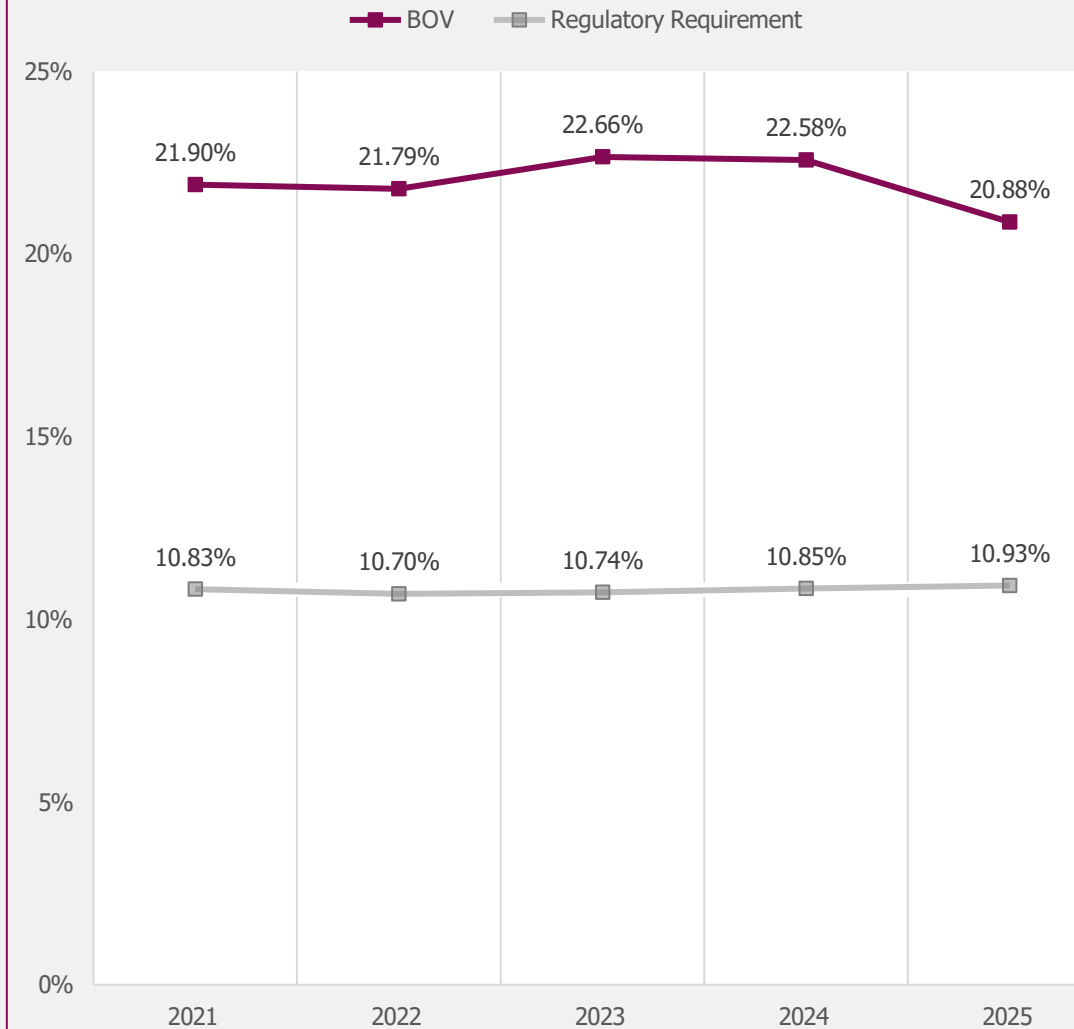
2020	3.25%
2021	3.33%
2022	*1.68%
2023	7.92%
2024	7.51%
2025	6.79%

*Drop due to timing of SNP Issuance

FY25 - CET1 Position & Requirement (%)



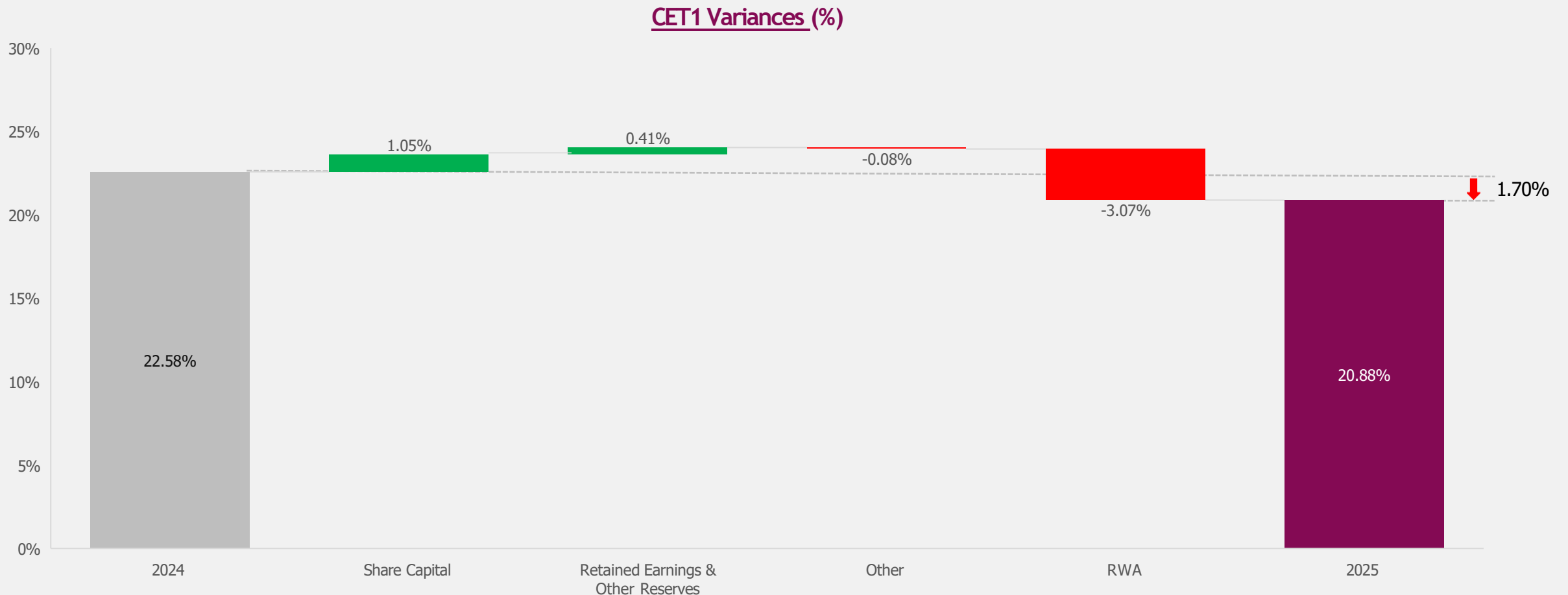
CET1 Ratio (%)



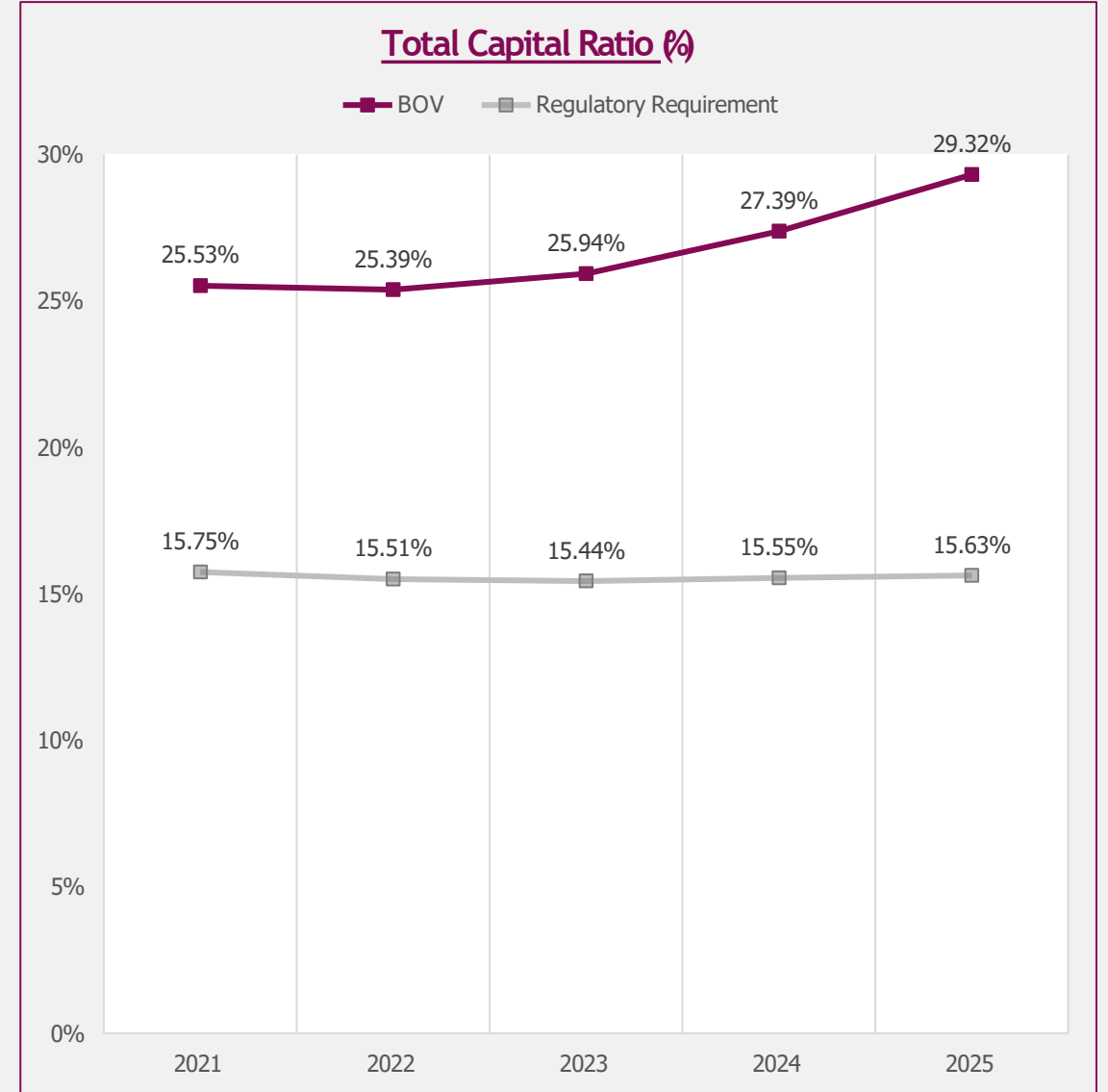
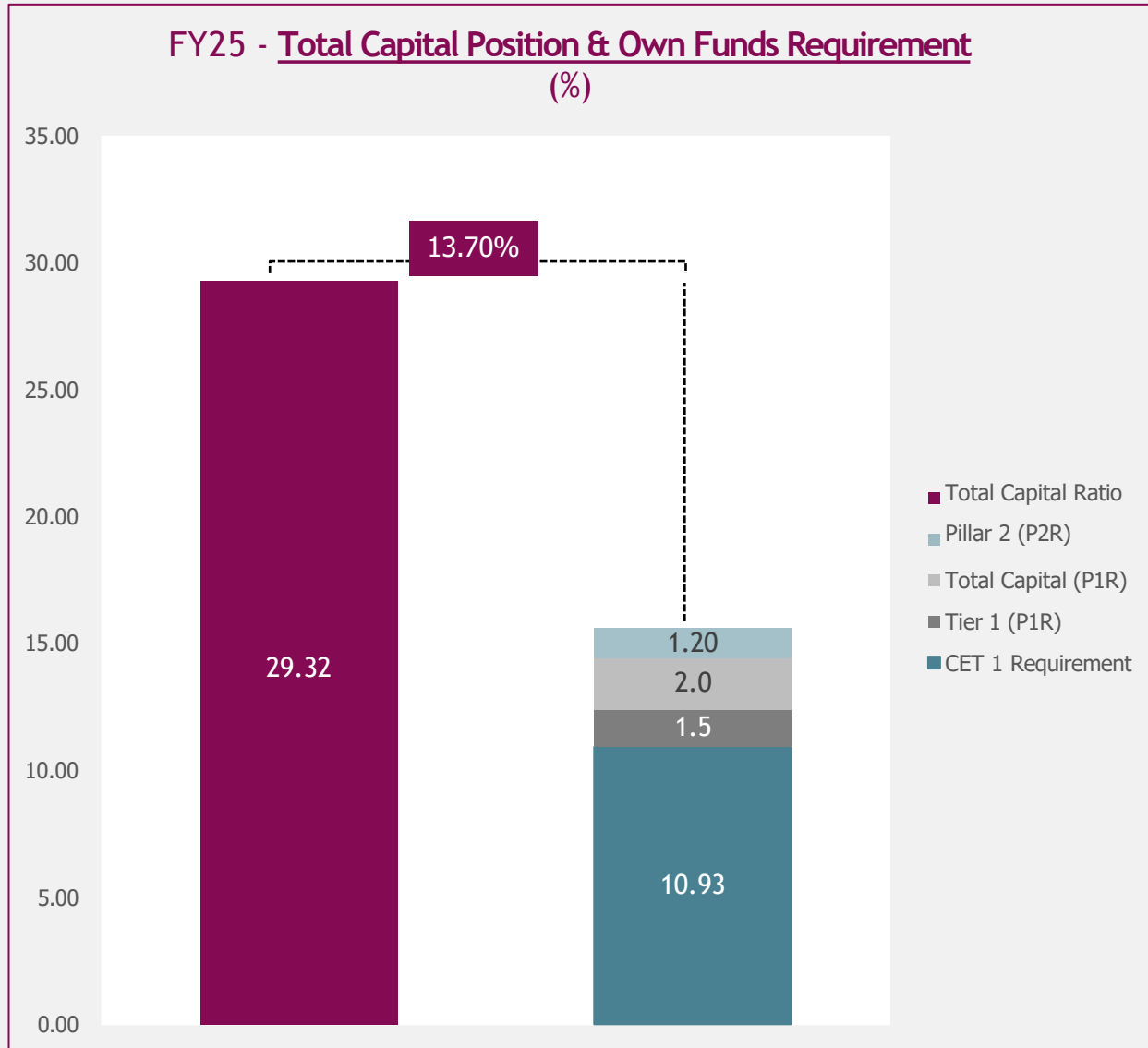
NB. Binding Capital Requirements. Dec-24 Reported CET1 Ratio based on CRR II rules.

CET1

The decline in CET1 Ratio was primarily driven by higher RWAs, reflecting growth in the Loan Portfolio, which more than offset capital retained through earnings.



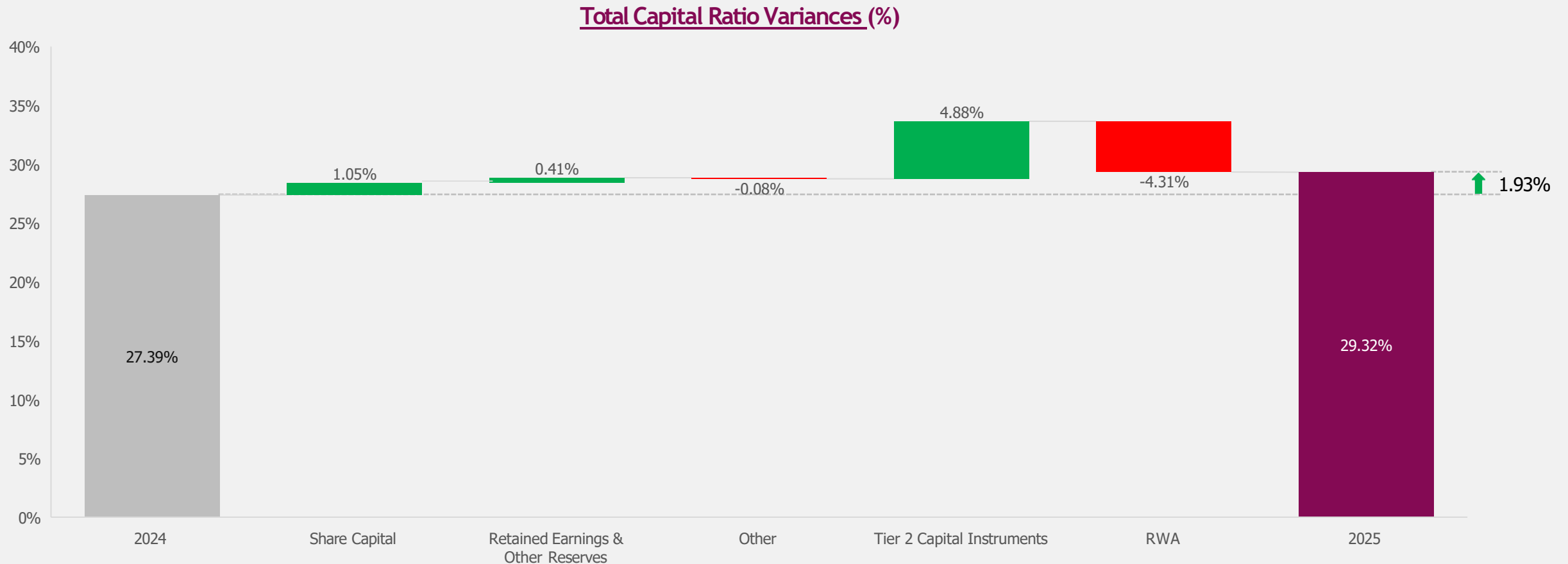
NB. RWA impacted by the adoption of the CRR III rules as of 1st January 2025.



NB. Binding Capital Requirements. Dec-24 Reported TCR Ratio based on CRR II rules.

Total Capital Ratio

The higher in Total Capital Ratio was driven by an increase in Tier 2 Instruments, following successful issuance over FY25 which more than offset the increase in RWAs, reflecting growth in the Loan Portfolio.

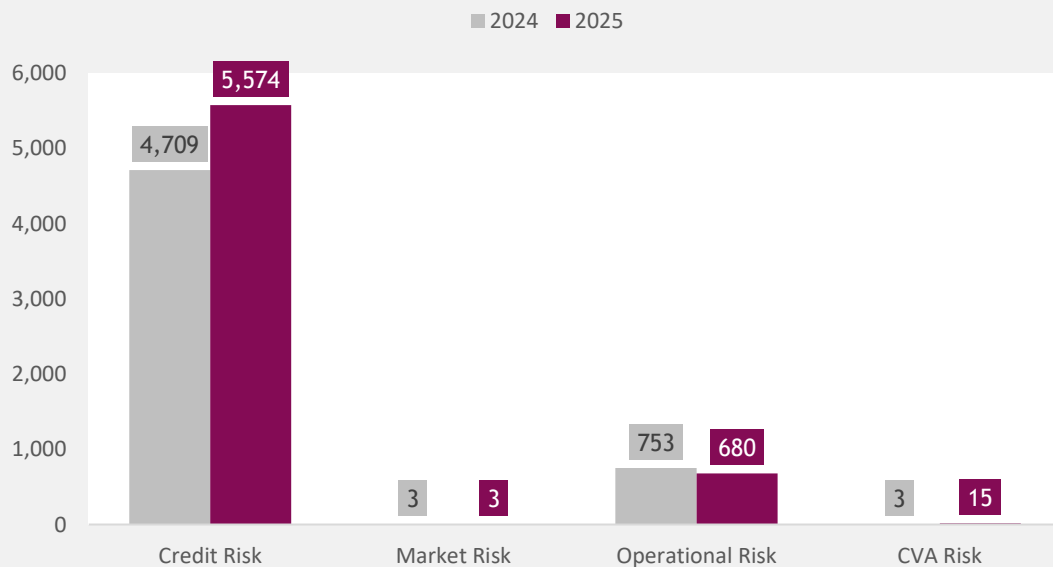


NB. RWA impacted by the adoption of the CRR III rules as of 1st January 2025.

Risk Weighted Assets Exposures

Credit Risk - Introduction of CRR III. Growth in the Loan Book, offset by RW decrease in Treasury Portfolio
 Operational Risk - Different methodology using the Business Indicator Approach
 Credit Valuation Adjustment (CVA) - Change in methodology in computing CVA RWA

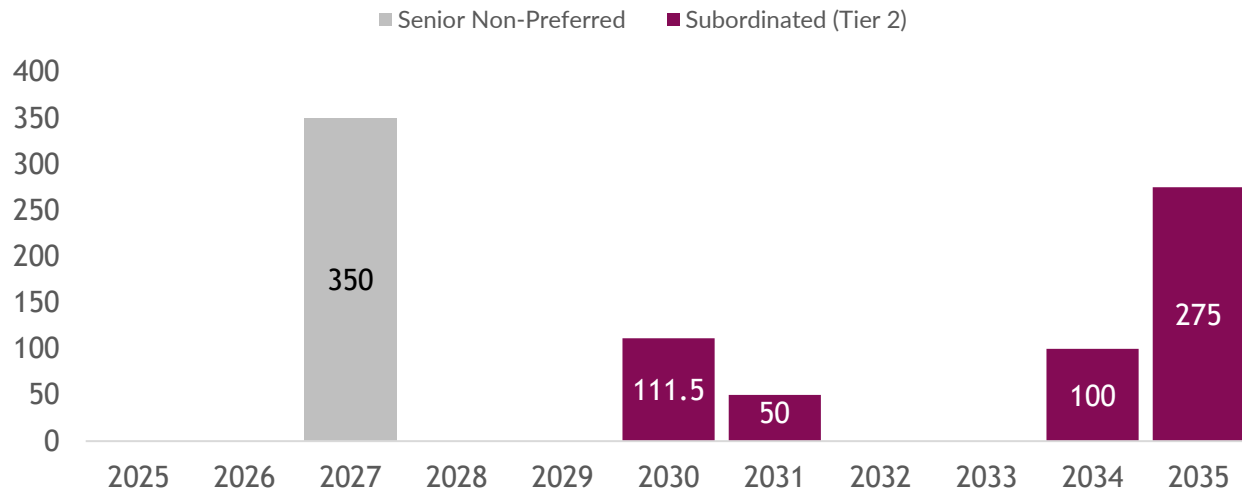
Risk Weighted Assets (€m)



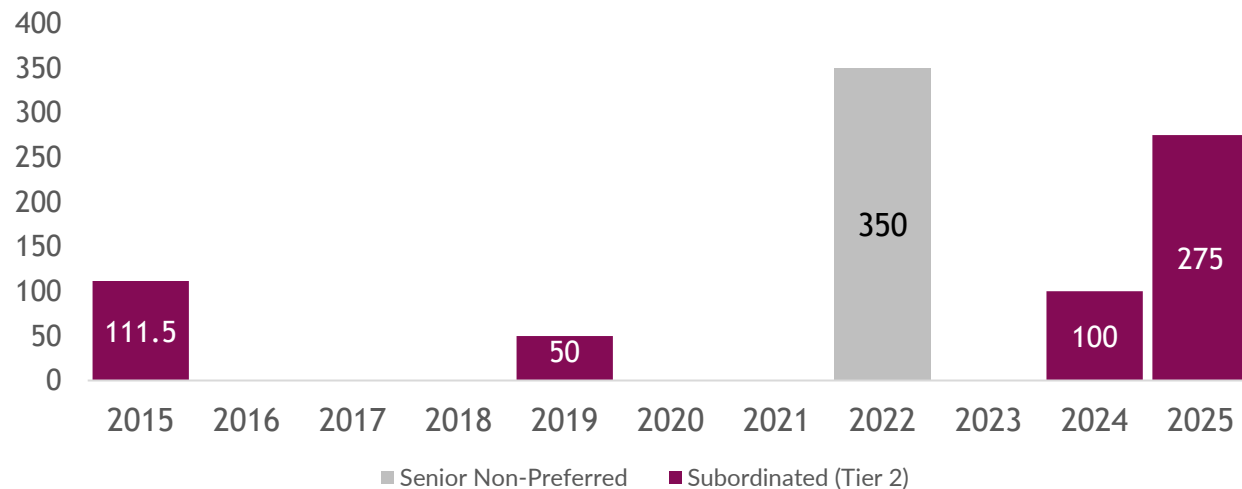
Risk Weighted Assets (€m)



BOV Debt Maturity Profile (€m)



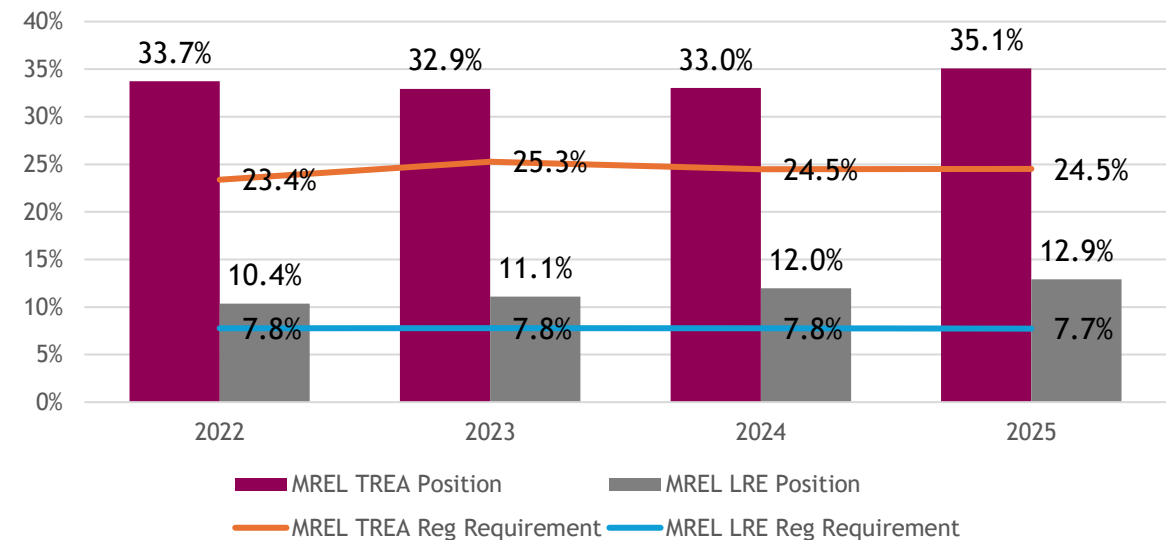
BOV Issued Debt (€m)



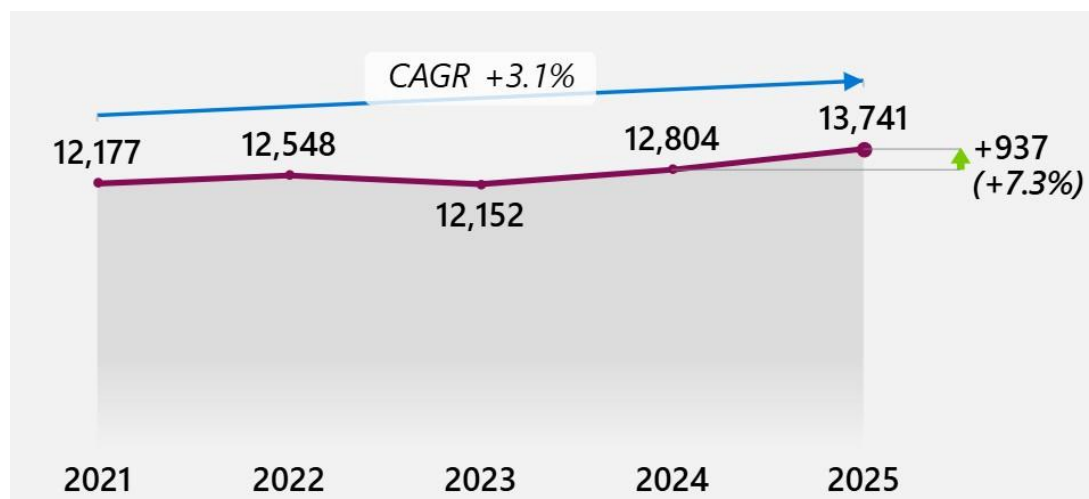
BOV boasts a consistently strong MREL position over the period, with MREL expressed as a percentage of TREA (including the Combined Buffer Requirement) remaining broadly stable in the low-to-mid 30% range and increasing to 35% in FY25.

MREL on an LRE basis has steadily strengthened from 10% to 13%, reflecting the continued build-up of loss-absorbing capacity against both risk-based and leverage metrics.

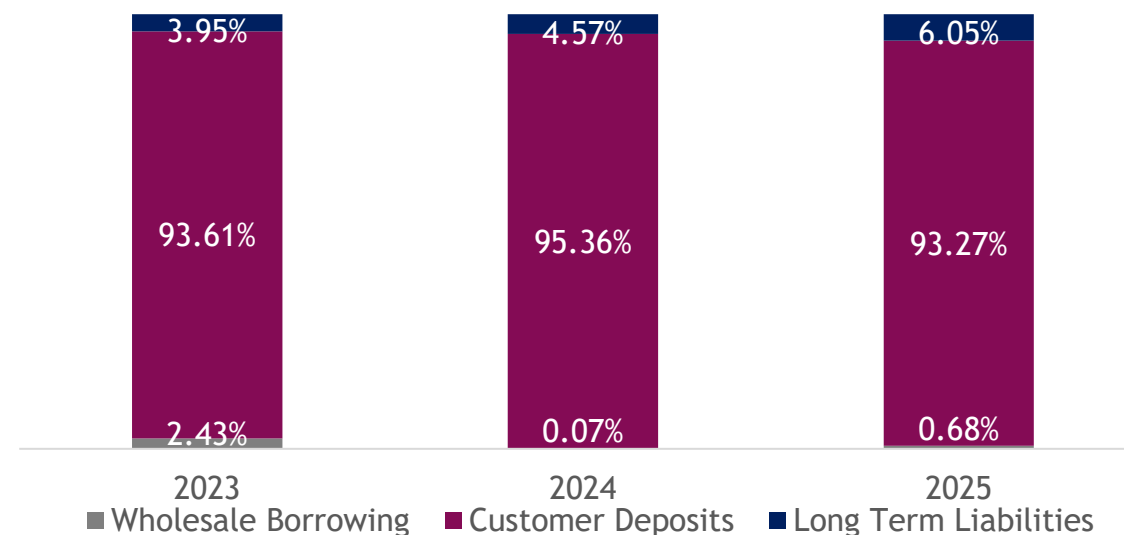
MREL Position



CUSTOMER DEPOSITS - 5-Year Historical Trend



Funding Stack



Funding Structure Evolution (2023-2025)

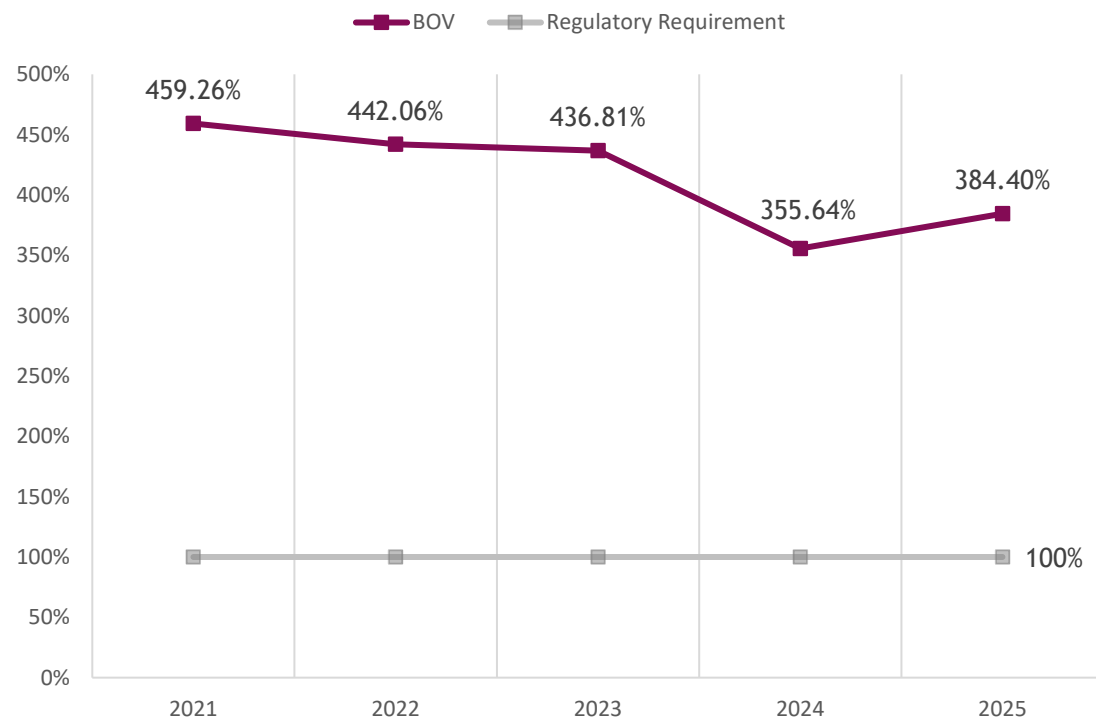
- Customer deposits remain the dominant funding source, consistently above 93% of total funding.
- Deposit share peaked in 2024 at 95.36%, before normalising to 93.27% in 2025 as the bank diversified its funding mix.
- Wholesale borrowing remains minimal, declining sharply from 2.43% in 2023 to 0.68% in 2025.
- Long-term liabilities increased steadily from 3.95% (2023) to 6.05% (2025), reflecting a strategic shift toward more stable, longer-tenor funding.

FY 2025 Customer Deposit Performance

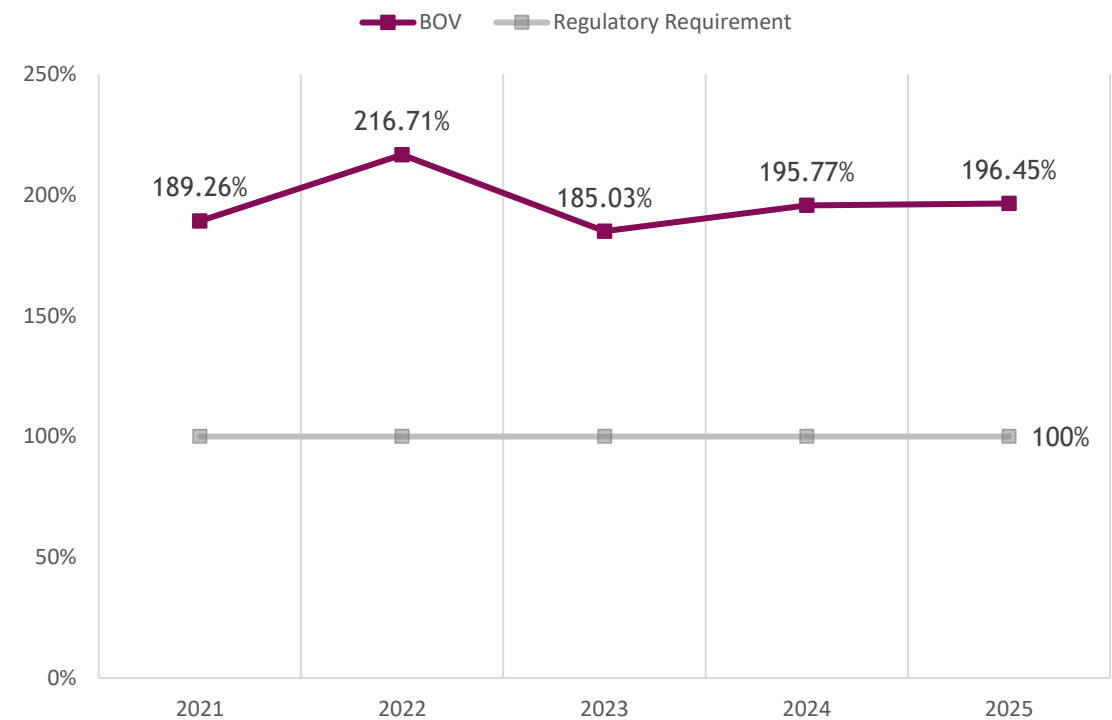
- Customer deposits grew by 7.3%, equivalent to +€937 million year-on-year.
- Growth driven by continued inflows from both retail and corporate clients.
- Reinforces BOV's strong liquidity position and its reliance on a stable, low-cost funding base.

The Bank maintained **very strong** LCR at 384.4% and NSFR levels at 196.5%, well above the regulatory minima and aligned with leading European peers. This reflects the Bank's **highly stable deposit base, conservative liquidity risk management framework, and continued diversification of funding sources through capital-markets activity.**

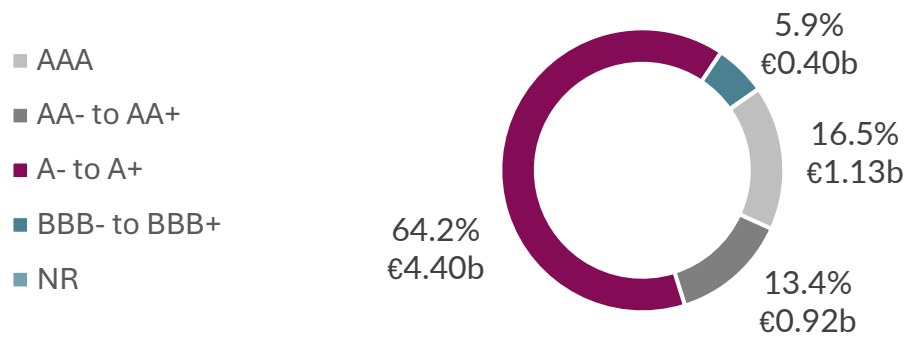
Liquidity Coverage Ratio (%)



Net Stable Funding Ratio (%)

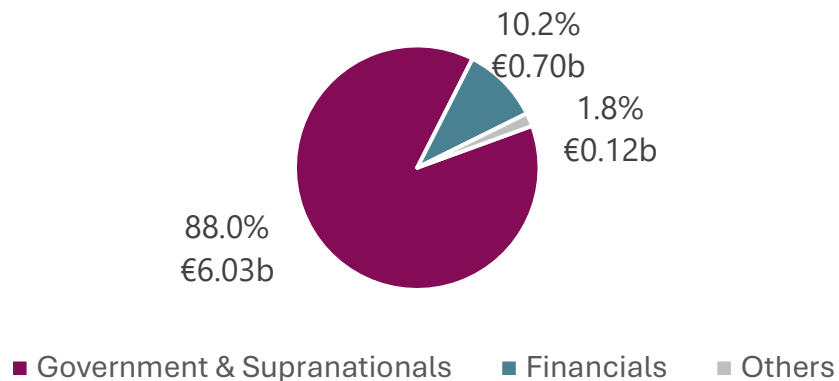


Investment Portfolio by Rating Distribution



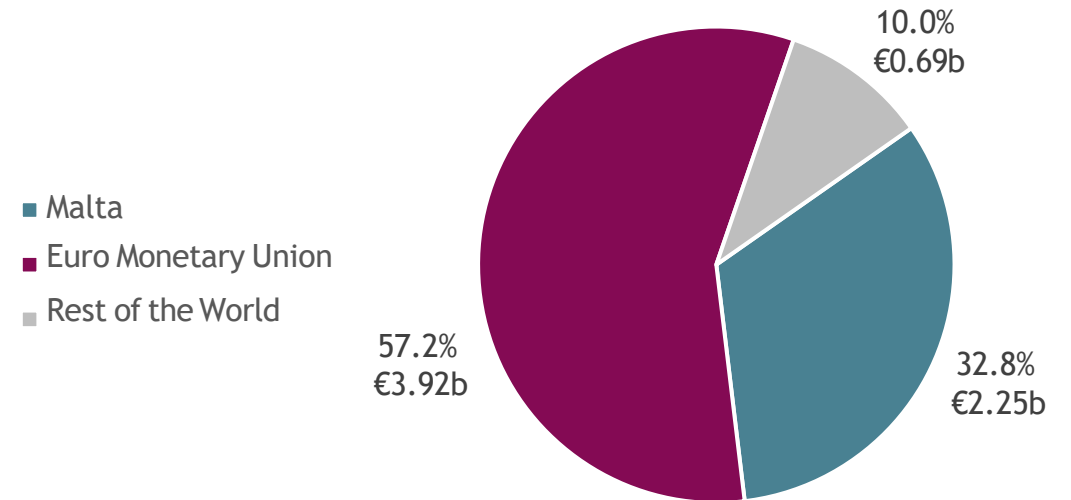
The Treasury Bond Portfolio is highly resilient, with **94%** rated **A-** or higher and **88%** invested in **government and supranational debt**, supporting strong credit quality and liquidity.

Investments Portfolio by Issuer Distribution



Around **90%** of holdings are concentrated within the **Euro Monetary Union**, ensuring alignment with the Bank's core currency

Investment Portfolio by Region Distribution

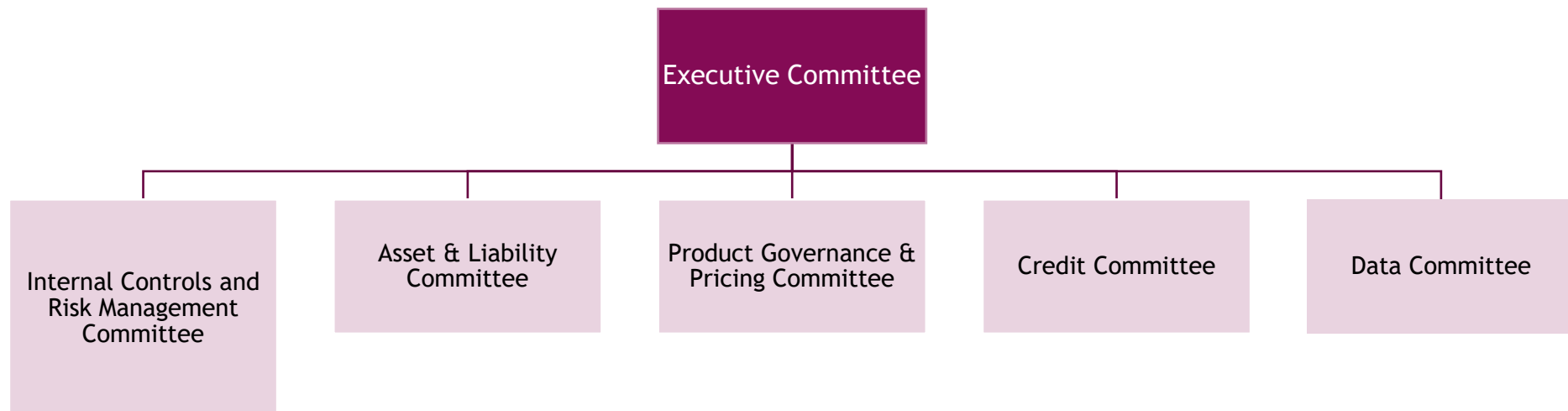
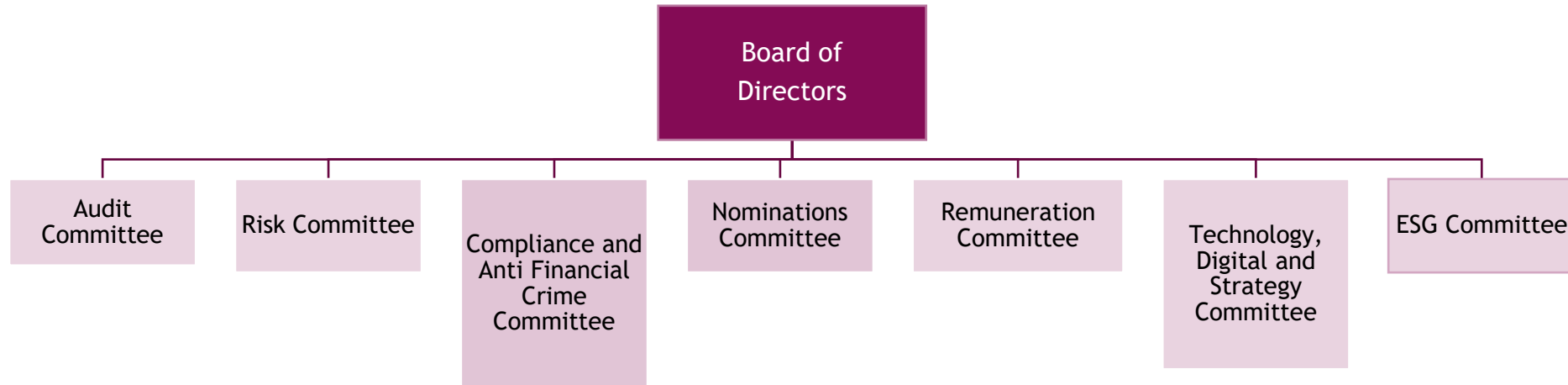




7. Risk Management and Stress Resilience

Governance Structure: 3 Lines of Defense





Stress Testing 2025 ECB/SSM - BOV Result

The 2025 adverse scenario features as its main driver an escalation of geopolitical tensions coupled with increasingly inward-looking trade policies, which contribute to a fragmentation of the global supply system. The results demonstrate that the Bank is adequately capitalised, with stress impacts remaining well aligned with those observed at an aggregate level in the EBA exercise.

Fully Loaded CET 1 Waterfall - ADVERSE SCENARIO





Kenneth Farrugia is the Chief Executive Officer of Bank of Valletta Group.

Kenneth Farrugia joined BOV in 1985, he has held various senior roles across the organisation covering, asset management, asset servicing, retail banking, and credit . He also holds board roles in BOV Fund Services, BOV Asset management and Mapfre MSV Life. Beyond the bank he also holds influential industry roles, including Chair of the Malta Bankers' Association, and board member of the European Savings Banking Group, and the European Banking Federation. His broader industry involvement includes chairing the Malta Asset Servicing Association, serving on the board of the European Fund and Asset Management Association, whilst leading FinanceMalta.

Kenneth is a Harvard Business School alumnus.



Kevin Cardona is the Chief Financial Officer of Bank of Valletta Group.

Kevin Cardona leads the Bank's financial strategy, reporting, budgeting, forecasting, regulatory compliance, capital and balance-sheet management, and oversees treasury operations and key financial risks. He chairs the Asst and Liability Management Committee and attends Board, Audit Committees and the Mapfre MSV Life Audit Committee.

A Certified Public Accountant with 25 years of banking experience, he previously spent 17+ years in risk management and commercial banking, focusing on credit portfolio management, corporate finance, regulation, data analytics, and financial and credit risk. He holds a Master's in Financial Management from Heriot-Watt University and is an ACCA Fellow, with degrees in Taxation and Accounting.



JeanCarl Grech is the Head of the Capital Issuance and Optimisation Unit of Bank of Valletta Group.

JeanCarl Grech is a senior banking and finance professional with over 10 years of experience in the banking sector, specialising in financial planning, financial modelling, capital planning and capital market issuance. He currently serves as Head - Capital Issuance & Optimisation at Bank of Valletta plc, where he is responsible for financial strategy, mainly financial forecasting, balance-sheet optimisation, capital issuance strategy, financial forecasting and medium-term capital planning, ensuring alignment with regulatory requirements and strategic objectives.

He holds a degree in Economics and Management and is an MBA graduate and alumni of Henley Business School, University of Reading.

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Mr Kenneth Farrugia: kenneth.farrugia@bov.com

Mr Kevin Cardona: kevin.cardona@bov.com

Capital Issuance

Mr JeanCarl Grech: jeancarl.grech@bov.com

Visit our website at: bov.com/investor-relations



Appendix Supplementary Information

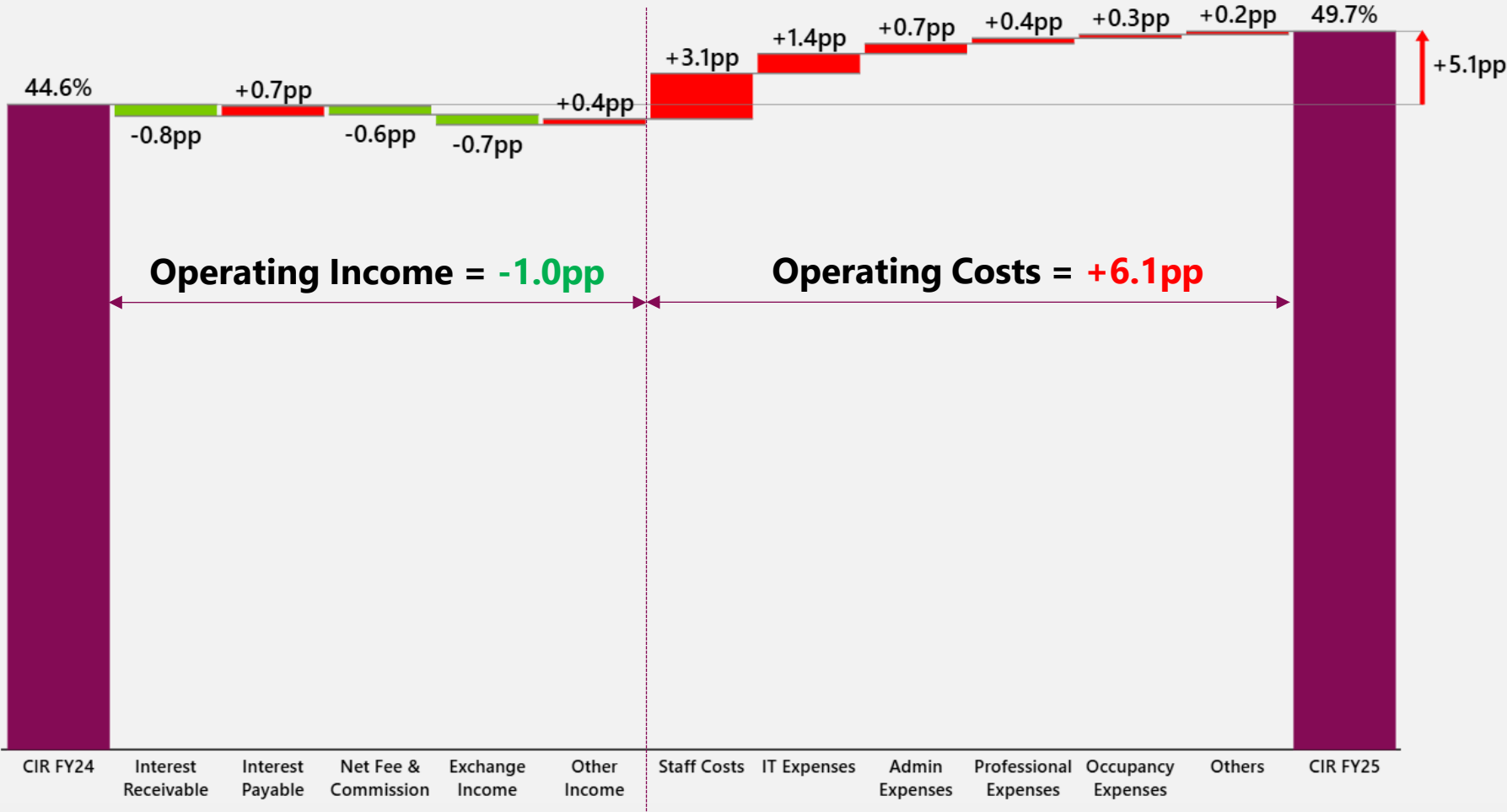
Solid Financial Performance FY2025

The Group delivered a solid financial performance in FY 2025, achieving a Profit Before Tax of €260.4 million, surpassing internal profitability targets and forward-looking expectations despite normalising interest-rate dynamics and sector-wide cost pressures.

Group Financial Performance

-five-year comparison

	2025	2024	2023	2022	2021
€000					
Net interest income	387,393	385,917	351,999	201,899	156,310
Net fee and commission income	88,072	81,379	78,047	76,568	74,595
Market value adjustments and dividends	14,089	18,460	10,956	14,890	12,003
Other income	7,283				
Operating income	496,837	485,756	441,002	293,357	242,908
Operating cost	-246,811	-216,688	-210,900	-192,616	-195,603
Net impairment reversal/charge	-42	23,831	10,481	49,075	18,856
Operating profit	249,984	292,899	240,583	149,816	66,161
Profit before tax	260,393	302,365	251,613	48,718	80,659
Income tax expense	-88,685	-102,766	-83,677	-17,547	-24,468
Profit for the year	171,708	199,599	167,936	31,171	56,191



Capacity Building and Business Resilience

Despite the uplift in strategic spending, the Bank maintained a solid level of operating efficiency, ending FY25 with a cost-to-income ratio of 49.7%, up from 44.6% in FY24.

By strengthening the Bank's long-term capacity, cost-to-income remains below the European sector average, demonstrating disciplined financial management and ability to absorb investment while remaining competitive.

Strengthened Financial Position FY2025

The Group continued to strengthen its balance sheet, registering a **year-on-year increase of €1.4 billion in total assets**, with year-end figures now **exceeding €16.5 billion**.

Group Financial Position *-five-year comparison*

	2025	2024	2023	2022	2021
€000					
Balances with Central Bank of Malta, treasury bills and cash	921,224	1,085,871	2,353,317	3,389,261	4,626,066
Financial assets at fair value through profit or loss	92,225	106,220	113,853	146,363	138,986
Investments	6,855,039	6,336,696	5,353,462	4,567,064	3,568,669
Loans and advances to banks	258,754	328,547	196,307	394,546	452,469
Loans and advances to customers at amortised cost	7,985,473	6,846,302	6,114,589	5,560,076	5,097,598
Investments in equity-accounted investees	124,577	117,160	110,206	100,206	145,501
Intangible assets	40,980	45,317	54,642	56,047	56,074
Property and equipment	172,205	153,519	134,172	132,691	130,622
Current tax				20,706	28,640
Deferred tax	28,954	29,032	34,025	67,898	84,563
Other assets	50,892	50,435	42,483	37,886	29,254
Total Assets	16,530,323	15,099,099	14,506,948	14,472,744	14,358,442

Assets

Strengthen Financial Position FY2025

The expansion was primarily driven by **sustained growth in customer deposits**.

Customer deposits **increased by €937 million** over the year, (7.3%) to reach 13.7 billion.

Funding support was also provided through the successful issuance of **€275 million in Tier 2 subordinated debt instruments**.

Group Financial Position -five-year comparison

	2025	2024	2023	2022	2021
€000					
Liabilities					
Derivative financial liabilities	4,568	4,200	4,154	6,702	17,642
Amounts owed to banks	99,894	9,150	315,651	77,074	560,117
Amounts owed to customers	13,740,565	12,803,915	12,152,216	12,547,911	12,176,854
Current tax	37,580	8,173	28,079		
Deferred tax	8,291	8,119	7,435	7,054	6,717
Other liabilities	233,095	225,373	198,178	191,552	203,141
Provisions	17,554	18,388	20,166	16,518	104,449
Unsubordinated Debt securities in issue	351,659	350,846	350,099	350,260	
Subordinated liabilities	540,143	263,136	163,237	163,237	163,237
Total Liabilities	15,033,349	13,691,300	13,239,215	13,360,308	13,232,157
Equity					
Called up share capital	642,234	583,849	583,849	583,849	583,849
Share premium account	49,277	49,277	49,277	49,277	49,277
Revaluation reserves	99,083	89,977	86,151	81,992	93,945
Retained earnings	706,380	684,696	548,456	397,318	399,214
Total Equity	1,496,974	1,407,799	1,267,733	1,112,436	1,126,285

Strong Investor Confidence in MREL Issuances

	3.5% BOV Subordinated Notes 2030 Series 1 Tranche 1	3.5% BOV Subordinated Notes 2030 Series 2 Tranche 1	3.75% BOV Subordinated Bonds 2026 - 2031	10% BOV Senior Non-Preferred Notes 2026 - 2027	5% BOV Subordinated Bonds 2029 - 2034 Series 1 Tranche 1	5% BOV Subordinated Bonds 2030 - 2035 Series 2 Tranche 1	5% BOV Subordinated Bonds 2030 - 2035 Series 1 Tranche 1
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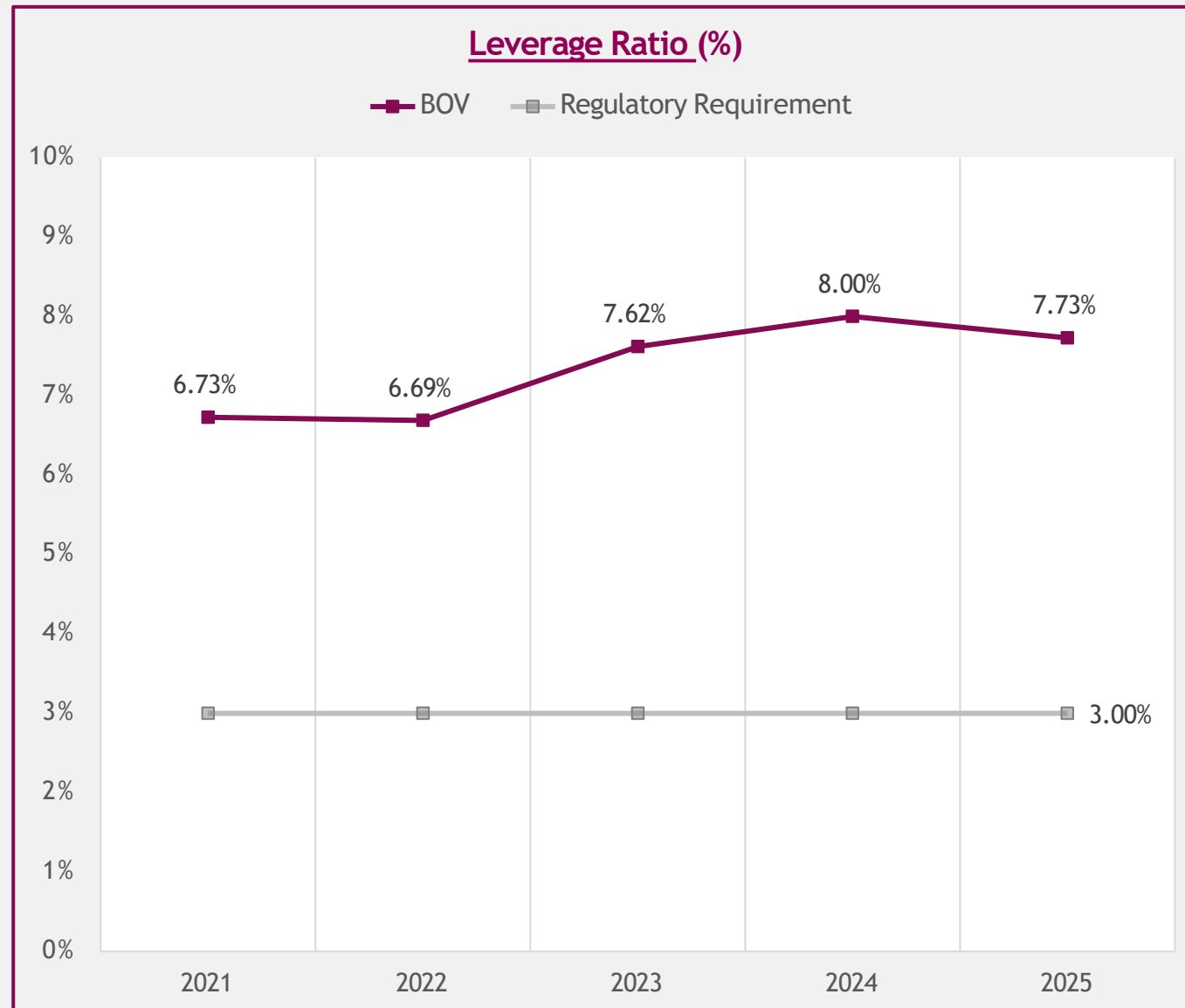
ISIN	MT0000021312	MT0000021320	MT0000021353	XS2539425095	MT0000021361	MT0000021379	MT0000021387
Amount (€m)	66.9	44.7	50	350	100	150	125
Rank	Tier 2	Tier 2	Tier 2	Sr Non-Preferred	Tier 2	Tier 2	Tier 2
Fixed or Floating Coupon	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed
Coupon	3.50%	3.50%	3.75%	10.00%	5.00%	5.00%	5.00%
Issue Date	14 December 2015	14 December 2015	02 July 2019	06 December 2022	04 November 2024	24 June 2025	05 December 2025
Maturity	08 August 2030	08 August 2030	15 June 2031	06 December 2027	28 November 2034	07 July 2035	05 December 2035
Call Date	/	/	Annually on 15 June from 2026 to 2030	06 December 2026	28 November 2029 and any date thereafter	07 July 2030 and any date thereafter	05 December 2030 and any date thereafter

Prudent Leverage position

The leverage ratio stands above 7%, significantly exceeding the regulatory minimum of 3%.

This strong position demonstrates a **conservative balance-sheet structure**, robust capitalisation, and a disciplined approach to risk.

Maintaining a leverage ratio more than **double the required threshold** provides a substantial buffer against market volatility and reinforces the Bank's capacity to support business growth without compromising regulatory resilience.



Liabilities Equity (FY24-FY25 Bridge + Comments)

Strategic Funding s Capital Growth: Expansion of balance sheet systematically driven by exceptional customer deposit inflows and the successful execution of strategic capital-market issuances, ensuring a highly liquid, diversified, and well-balanced funding profile.



Deposits (+€937M):

- Amounts Owed to Customers remains the Bank's primary and most stable funding source. The €937 million (+7.3%) surge reflects deep market confidence and sustained inflows from both retail and corporate segments, reinforcing BOV's position as the local Bank of Choice.

Wholesale Funding Diversification (+€277M):

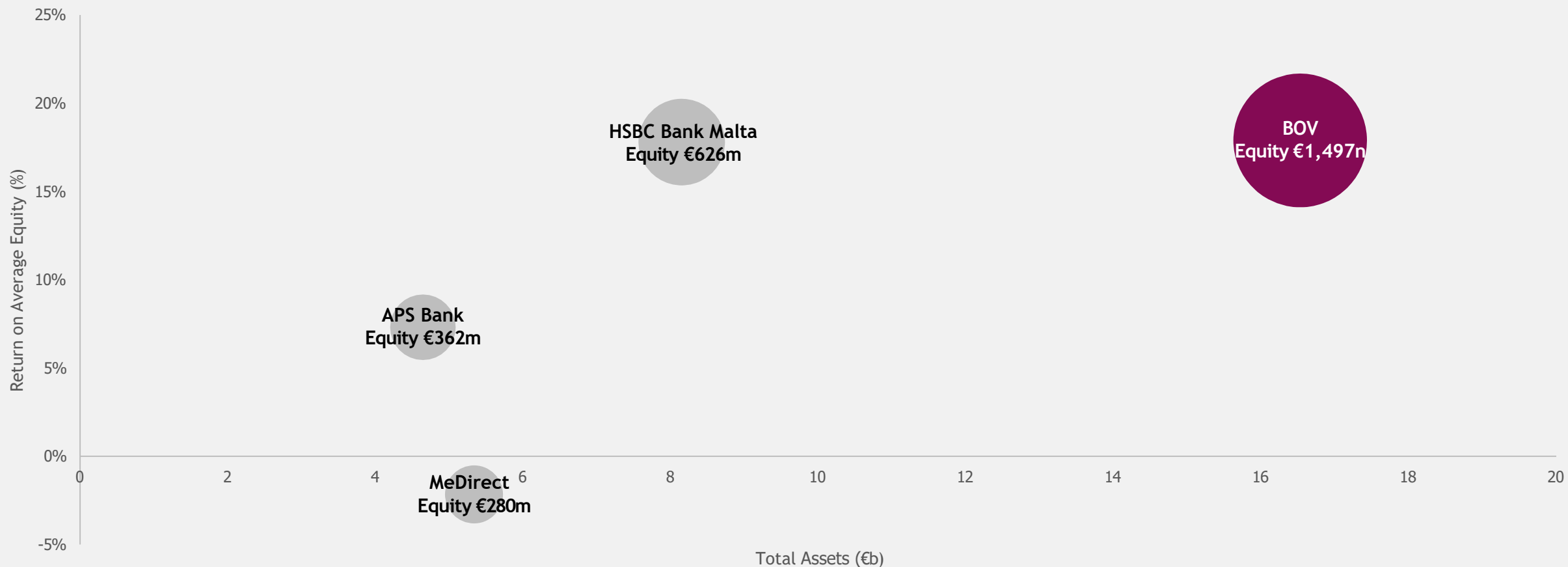
- Subordinated Liabilities increased significantly, reflecting the Bank's proactive optimisation of its long-term funding base. This follows the highly successful issuance of €150M in unsecured bonds and a further €125M in unsecured subordinated bonds, both of which attracted strong investor demand.

Internal Capital Generation:

- Movements across Called up share capital (+€58M) and Revaluation reserves (+€9M) highlight the Group's strong internal capital generation. This resilient equity base supports the €1.1 billion expansion in the loan book while keeping the capital ratio exceptionally solid.

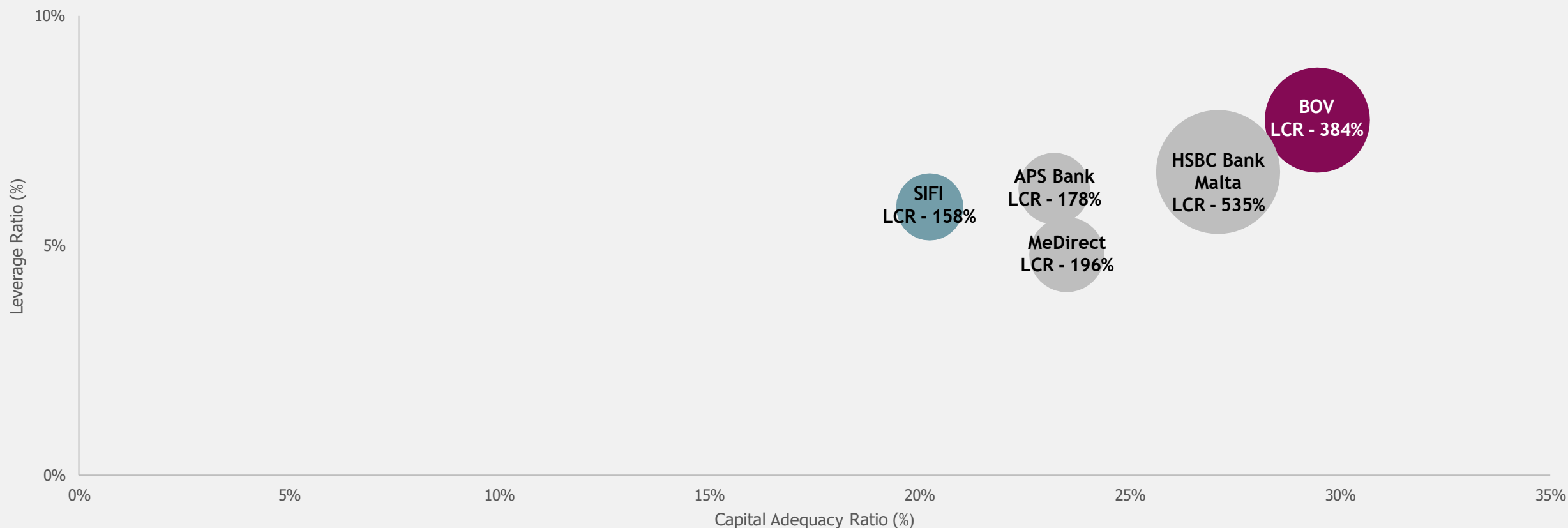
Leader Scale and Profitability

Balance-Sheet Scale, Equity Position and Profitability



Strong Solvency and Liquidity position

Capital Adequacy, Liquidity Buffers and Leverage Position



Source: [European Central Bank Portal](#)

NB. Systemically Important Financial Institutions (SIFI) figures relate to December 2025.