

## COMPANY ANNOUNCEMENT

Annual Report and Audited Financial Statements 2022

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Date of Announcement:  
Reference:

27 March 2023  
BNF11

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The following is Company Announcement issued by BNF Bank p.l.c. (the "Bank") pursuant to the Listing Rules of the Listing Authority.

### *Quote*

BNF Bank reported strong financial results for 2022. The Bank reported a profit before tax of €12.2million, a 35% increase over 2021. Higher profitability in 2022 was primarily due to increased net interest income of €25.8 million (2021: €22.7 million), which resulted from growth in the Bank's loans and advances to customers and careful liability management. In addition to net interest income, net fees and commission income and other ancillary income contributed to a net operating income for 2022 of €30.1 million (2021: €27.2 million).

The Bank's cost-to-income ratio underlines the positive jaws generated between net operating income and general administrative expenses. A cost-to-income ratio of 61.7% (2021: 62.9%) reflects the Bank's prudent stance toward cost control whilst not conceding on the Bank's strategic goals.

In 2022 the Bank wrote back expected credit losses ('ECL') of €0.7 million (2021: ECL increase of €1.1 million) due to an improvement in asset quality experienced throughout the year. Net loans to customers at year end grew by 14% to €903.7 million, whilst the percentage of credit impaired lending decreased from 4.1% to 2.6%.

The Bank's Capital Adequacy Ratio improved to 19.6% (2021: 17.5%) further to the issuance of a €20.0 million subordinated bond which qualifies as Tier 2 capital for regulatory purposes. The Common Equity Tier 1 Ratio stood at 14.6% (2021: 15.6%), both ratios being well above overall capital requirements and supervisory pillar two guidance. The Liquidity Coverage Ratio as of 31 December 2022 was 237.7% (2021: 129.1%), and the Net Stable Funding Ratio was 139.8% (2021: 130.8%).

Subsequent to the end of the reporting period, a net dividend of €0.041 per nominal share of €0.7552, for a total amount of €4,036,726.50, is being proposed by the Board of Directors to be distributed to the shareholders for the twelve months ended 31 December 2022. A resolution to this effect will be proposed at the Annual General Meeting, subject to regulatory approval.

## **BNF Bank p.l.c.**

Registered in Malta: C41030

 [www.bnf.bank](http://www.bnf.bank)  **E-Customer Service**  **+356 2260 1000**  
 **203, Level 2, Rue D'Argens, Gżira, GŻR 1368, Malta**

The following table highlights some of the key financial figures from the Financial Statements:

	2022	2021
Net interest income (€ '000)	25,777	22,698
Net operating income (€ '000)	30,126	27,241
Profit before tax (€ '000)	12,208	9,051
Profit after tax (€ '000)	8,073	6,301
Cost-to-income ratio (%)	61.7	62.9
Loans and advances to customers (€ '000)	903,688	793,093
Total assets (€ '000)	1,162,979	1,004,698
Total liabilities (€ '000)	1,062,690	906,987
Total equity (€ '000)	100,289	97,711
Capital Adequacy Ratio (%)	19.6	17.5
Liquidity Coverage Ratio (%)	237.7	129.1

The Annual Report and the Audit Financial Statements for the year ended 31 December 2022 can be accessed online on [www.bnf.bank](http://www.bnf.bank).

*Unquote*

BY ORDER OF THE BOARD



Dr Jean Noel Cutajar  
Company Secretary

**DIRECTORS' DECLARATION  
ON ESEF ANNUAL REPORT AND FINANCIAL STATEMENTS 2022**

We, Dr. Michael Frendo and Mario Galea, in our capacity as Directors of BNF Bank plc (Company registration number: C 41030), hereby **certify**:

- i. That the Annual Report and Financial Statements ("ARFS") for the year ended 31 December 2022 has been approved by the Board of Directors of the Company and is hereby being made available to the public.
- ii. That the ARFS has been prepared in terms of the applicable rules and regulations, including the Commission Delegated Regulation on the European Single Electronic Format ("ESEF")<sup>1</sup> and the Capital Markets Rules<sup>2</sup>.
- iii. That the Audit Report on the ESEF ARFS is an exact copy of the original signed by the auditor and that no alterations have been made to the audited elements of the ARFS including the annual financial statements.
- iv. That the ARFS shall serve as the official document for the purposes of the Capital Markets Rules and the Companies Act (Chapter 386 of the Laws of Malta).



Dr. Michael Frendo  
Director



Mario Galea  
Director

27 March 2023  
Date

<sup>1</sup> Commission Delegated Regulation 2019/815 on the European Single Electronic Format, as may be further amended from time to time.

<sup>2</sup> Capital Markets Rules as issued by the Malta Financial Services Authority (MFSA).