

COMPANY ANNOUNCEMENT

Annual Report and Audited Financial Statements 2023

Date of Announcement:
Reference:

25 March 2024
BNF22

The following is Company Announcement issued by BNF Bank p.l.c. (or the "Bank"), pursuant to the Capital Markets Rules issued by the Malta Financial Services Authority.

Quote

The Board of Directors of BNF Bank p.l.c. has met today, the 25th of March 2024 and approved the Annual Report & Audited Financial Statements for Financial Year ended 31 December 2023. The Board resolved that these audited financial statements be submitted for the approval of the Bank's shareholders at the forthcoming Annual General Meeting (AGM), the date of which, will be announced in due course.

Financial Performance FY 2023

In 2023, BNF Bank successfully concluded its Vision 2023 Strategy, achieving targeted growth milestones, completing the licensing process for a UK third-country branch, and fulfilling its capital plan objectives.

The Bank reported a profit before tax of €13.0 million, a 6.75% increase over 2022. Higher profitability in 2023 was primarily due to increased net interest income of €32.5 million (2022: €25.8 million). In addition to net interest income, net fees and commission income and other ancillary income contributed to a net operating income for 2023 of €36.2 million (2022: €30.1 million). The Bank's cost-to-income ratio reflects the technology investment the Bank is undergoing, which will be in the Bank's long-term financial interest. The cost-to-income ratio stood at 65.1% for 2023 (2022: 61.7%). In 2023 the Bank wrote back expected credit losses ('ECL') of €0.4 million (2022: ECL write-back of €0.7 million).

Net loans to customers increased by 5.2% to €950.3 million, whilst the percentage of credit impaired lending was contained at 2.65% (2022: 2.63%). The Bank's Capital Adequacy Ratio stood at 19.3% (2022: 19.6%) and the Common Equity Tier 1 Ratio stood at 14.6% (2022: 14.6%), both being well above overall capital requirements and supervisory pillar two guidance. The Liquidity Coverage Ratio ('LCR') as of 31 December 2023 was 335.3% (2022: 237.7%), and the Net Stable Funding Ratio ('NSFR') was 140.2% (2022: 139.8%).

The robust financial performance in 2023 was sustained by steadfast adherence to focused and rigorous risk management practices, coupled with compliance with regulatory requirements.

BNF Bank p.l.c.

Registered in Malta: C41030

 www.bnf.bank  **E-Customer Service**  **+356 2260 1000**
 **203, Level 2, Rue D'Argens, Gżira, GŻR 1368, Malta**



Proposed Dividend

Following the conclusion of the reporting period, the Board of Directors is proposing a net dividend of €0.045 per nominal share of €0.7552, totalling €4,489,300, to be distributed to shareholders for the twelve months ending December 31, 2023. This proposal is subject to regulatory approval and will be presented for resolution at the AGM.

The Bank's Annual Report and the Audited Financial Statements for the Financial Year ended 31 December 2023 can be accessed online on the Bank's website at <https://www.bnf.bank/investor-relations>.

Attached to this Company Announcement is a Directors Declaration on the ESEF Annual Report and Annual Financial Statements 2023.

Unquote

A handwritten signature in blue ink, appearing to read "J Carabott".

Dr Jeanette Carabott
Company Secretary

DIRECTORS' DECLARATION

ON THE ESEF ANNUAL REPORT AND FINANCIAL STATEMENTS 2023

We, Dr Michael Frendo and Mr 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 2023 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")¹ and the Capital Markets Rules².
- 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



Mr Mario Galea
Director

Date: 25 March 2024

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

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

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