

29 April 2025

## COMPANY ANNOUNCEMENT

The following is a Company Announcement issued by Izola Bank p.l.c. (“the Bank”) pursuant to the Capital Markets Rules.

### **Quote**

The Board of Directors of Izola Bank p.l.c. has approved the Annual Report for the financial year ended 31 December 2024 and its publication. The Bank’s ESEF Annual Report and Financial Statements have been made available publicly on the Company’s website at <https://www.izolabank.com/mt-en/who-we-are/investor-information/annual-reports-financial-statements>.

The ESEF Annual Report & Financial Statements for the year ended 31 December 2024, and Directors’ Declaration on ESEF Annual Report & Financial Statements 2024 can be viewed on the Malta Stock Exchange website (the officially appointed mechanism) at <https://borzamalta.com.mt>.

The Directors’ Declaration is attached to this company announcement.

### **Bank Performance**

Izola Bank p.l.c. has published its financial results for the year ended 31 December 2024, a year marked by a challenging operating environment characterised by historically high interest rates, rising operational costs, and an increasingly complex regulatory landscape. Despite these headwinds, the Bank continued to execute its strategic priorities, taking decisive action to strengthen its capital position, advance its digital transformation agenda and enhance operational resilience. The Bank incurred a loss before tax of €4.1 million for 2024 (2023: loss of €2.0 million), primarily driven by the significant increase in funding costs resulting from the elevated interest rate environment. Whilst the Bank succeeded in growing interest and similar income by 18% to €22.4 million (2023: €19.0 million), this was offset by the increase in cost of funding. In fact, net interest income declined to €6.2 million (2023: €7.0 million), while operating expenses increased to €8.8 million (2023: €7.6 million), reflecting continued investment in regulatory compliance, technology, and operational infrastructure. After recognising €1.8 million in gains within other comprehensive income, the total comprehensive loss for the year amounted to €1.2 million (2023: profit of €0.5 million).

Total assets remained stable at €508.7 million (2023: €507.9 million), with loans and advances to customers growing to €194.0 million (2023: €181.0 million), and customer deposits increasing to €448.6 million (2023: €429.7 million).

During the year, the Bank strengthened its capital position through the successful issuance of €3 million in perpetual capital notes, complemented by an additional €2 million capital contribution from its shareholders, increasing total equity to €35.6 million (2023: €31.9 million). These capital injections ensured the Bank maintained capital levels above the minimum regulatory requirements and closed the year with a Tier 1 ratio of 14.20%, above the minimum requirement of 12.82%. This was a marked improvement over the 11.69% recorded as of 30 June 2024.

In addition, the Bank took the opportunity to reassess its previous approach to regulatory capital, resulting in certain adjustments to the December 2023 ratio as detailed in Note 4.8.2 in the Annual Report & Financial Statements for the year ended 31 December 2024.

### **Strategic Milestones in 2024**

Significant progress was achieved in the Bank's digital transformation programme, which reached an advanced stage of implementation during the year. This strategic initiative is expected to conclude in 2025, positioning the Bank to offer an enhanced customer experience and greater operational efficiency.

Among the key achievements in 2024, the Bank successfully relocated its Head Office to Castile Place, Valletta, providing a modern and collaborative space aligned with its operational needs and ambitions.

The Board remains confident that the actions undertaken in 2024 provide a solid foundation for long-term resilience and sustainability.

### **Outlook for 2025**

Looking ahead, Izola Bank remains focused on consolidating its core business, maintaining cost discipline, and ensuring prudent liquidity and capital management. An important aim is to conclude discussions with a strategic partner. Following the announcement of the receipt of a non-binding Letter of Intent (LOI) dated 21 June 2024 (IZB118), the shareholder has received substantial interest from several additional parties. These expressions of interest are currently under evaluation. The Bank will continue to keep the market informed as more definitive developments arise.

### ***Unquote***

  
**Calvin Bartolo**  
*Company Secretary*

29 April 2025

**DIRECTORS' DECLARATION  
ON ESEF ANNUAL REPORT AND FINANCIAL STATEMENTS 2024**

We, Andrew Mifsud and Guido Mizzi, in our capacity as Directors of Izola Bank p.l.c. (Company registration number: C 16343), hereby **certify**:

- i. That the Annual Report and Financial Statements 2024 ("ARFS") for the year ended 31 December 2024 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).



Mr. Andrew Mifsud  
Director



Mr. Guido Mizzi  
Director

<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).