

Award in Office Management and Administration Fundamentals

Antoine P. Portelli, CPA

Wednesday, 1 October 2024



**Lecture 1:
Basic Bookkeeping**

Office Administrator / Manager

Verdi's AIDA, Arena di Verona, July 2022



Who are YOU ?

Office Administrator / Manager



Office Administrator / Manager



- Ma~~st~~ro
- Primo~~V~~iolino
- Light~~s~~ Rigger
- Set De~~si~~gner
- The behind-the-scenes officer making sure everything runs smoothly !

Interlinking Role



Book-Keeping...or Accounting ?

- **Book-keeping** focuses on recording and organizing financial data.
- **Accounting** is the interpretation and presentation of that data to business owners and investors.
- Book-keeping typically consists of:
 - invoicing
 - receipts and bills
 - recording business transactions
 - payroll



Book-Keeping...or Accounting ?

- Accounting typically consists of:
 - financial statements and reports
 - budgets
 - tax returns
 - analyzing business performance



The tasks that book-keepers and accountants do **vary** between businesses.

Book-keepers working for smaller businesses might do some basic accounting duties.

There's often **overlap**, and the duties may change a lot from one business to another.

Business Organisations

- Self-Employed – Sole Trader
- Self-Employed – With employees
- Partnership
- Limited Liability Company
- Public Company
- Government & Parastatal
- Group Structure
- VOs and Associations
- Trusts



Financial obligations

- Maintain proper books of account
- Keep proper and full records
- Register with the Competent Authorities
- Malta Business Registry
- Commissioner for Tax & Customs –
Income Tax / VAT / PE
- Jobsplus
- Identita'
- MFSA
- Banks
- Insurance Companies



Daily Process

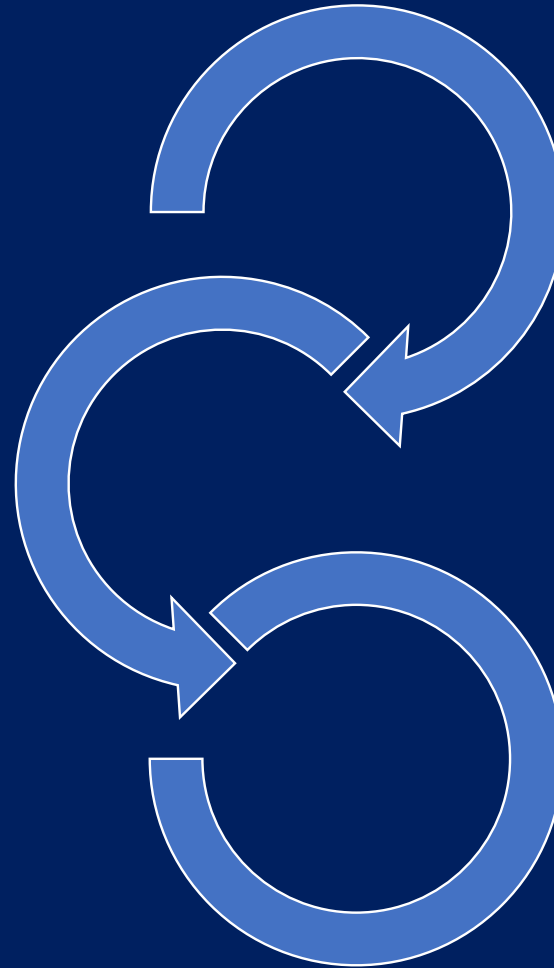
The transactions recorded in an entity must be initiated by:

- Documents
- Records
- Third party interaction
- Manual vs electronic



Process flow

- Orders
- Approvals
- Receipt of goods
- Confirmation
- Recording in Day Books
- Authorisation for Payment
- Payment
- Reconciliation



Daily Books

- Revenue Cycle
 - Cash Sales
 - Sales Invoices
 - Fiscal Invoices / Cash Register Chits / Z Readings
 - Receivables (or Debtors)



Samples of Sales Invoices

WPLIGHTHOUSE
 1 Accounting Street,
 2000000

Phone: +394 21 78 22 32
 Email: info@eversolutions.eu
 Website: www.eversolutions.eu

Date: 28/06/2015
 Invoice No.: 527

Invoice To: ABC
 address: address

Customer's Reference	Sales Person	Your Tax ID	Delivery Note No.	Due Date
	Sally Mann		adm	28/06/2015

Payment Terms: Cash Only

Item Code	Item Description	Quantity	Unit	Price	Discount %	Total
Service	Service01	5.00	hr	22.00		110.00
Service	Service01 (Discount)	5.00	hr	-22.00		-110.00
Service	Service02	1.00	unit	10.00		10.00
Sub-total						10.00
VAT (7.14%) (10%)						1.00
TOTAL INVOICE						11.00

SPECIMEN FISCAL RECEIPT

VAT Reg No: 887777777777 Receipt No.: 002108 No. 3 000 064

XYZ IRONMONGERY
 1506, Triq il-Qasbar
 Valletta

VAT DEPARTMENT
 Tax Payers Road
 Sliema
 2014

Amount in terms of Section 6A of VAT Act 1995.

Description of Goods / Provided	Amount (exclusive of VAT)	
	47	79
As per Invoice 12345		

Receipt Date: 11/06/07
 Customer Name & ID Number when required:
 Giuseppe Borg 8882 8882

CUSTOMER'S COPY



Daily Books

- Purchasing Cycle
 - Purchase Orders
 - Purchase Invoices
 - Cash Expense
 - Payables (or Creditors)



Daily Books

- Banking Cycle
 - Receipts
 - Payments
 - Bank Statements
 - Reconciliations
- Payroll
 - Time-keeping
 - Processing
 - Settlement
 - Documentation



Bank Statements

Date	Description	Chq. No.	Dr.	Cr.
01/01	DEPOSIT			1000.00
01/02	CASH ON HAND	001	100.00	
01/03	CASH ON HAND	002	200.00	
01/04	CASH ON HAND	003	300.00	
01/05	CASH ON HAND	004	400.00	
01/06	CASH ON HAND	005	500.00	
01/07	CASH ON HAND	006	600.00	
01/08	CASH ON HAND	007	700.00	
01/09	CASH ON HAND	008	800.00	
01/10	CASH ON HAND	009	900.00	
01/11	CASH ON HAND	010	1000.00	
01/12	CASH ON HAND	011	1100.00	
01/13	CASH ON HAND	012	1200.00	
01/14	CASH ON HAND	013	1300.00	
01/15	CASH ON HAND	014	1400.00	
01/16	CASH ON HAND	015	1500.00	
01/17	CASH ON HAND	016	1600.00	
01/18	CASH ON HAND	017	1700.00	
01/19	CASH ON HAND	018	1800.00	
01/20	CASH ON HAND	019	1900.00	
01/21	CASH ON HAND	020	2000.00	
01/22	CASH ON HAND	021	2100.00	
01/23	CASH ON HAND	022	2200.00	
01/24	CASH ON HAND	023	2300.00	
01/25	CASH ON HAND	024	2400.00	
01/26	CASH ON HAND	025	2500.00	
01/27	CASH ON HAND	026	2600.00	
01/28	CASH ON HAND	027	2700.00	
01/29	CASH ON HAND	028	2800.00	
01/30	CASH ON HAND	029	2900.00	
01/31	CASH ON HAND	030	3000.00	
02/01	CASH ON HAND	031	3100.00	
02/02	CASH ON HAND	032	3200.00	
02/03	CASH ON HAND	033	3300.00	
02/04	CASH ON HAND	034	3400.00	
02/05	CASH ON HAND	035	3500.00	
02/06	CASH ON HAND	036	3600.00	
02/07	CASH ON HAND	037	3700.00	
02/08	CASH ON HAND	038	3800.00	
02/09	CASH ON HAND	039	3900.00	
02/10	CASH ON HAND	040	4000.00	
02/11	CASH ON HAND	041	4100.00	
02/12	CASH ON HAND	042	4200.00	
02/13	CASH ON HAND	043	4300.00	
02/14	CASH ON HAND	044	4400.00	
02/15	CASH ON HAND	045	4500.00	
02/16	CASH ON HAND	046	4600.00	
02/17	CASH ON HAND	047	4700.00	
02/18	CASH ON HAND	048	4800.00	
02/19	CASH ON HAND	049	4900.00	
02/20	CASH ON HAND	050	5000.00	
02/21	CASH ON HAND	051	5100.00	
02/22	CASH ON HAND	052	5200.00	
02/23	CASH ON HAND	053	5300.00	
02/24	CASH ON HAND	054	5400.00	
02/25	CASH ON HAND	055	5500.00	
02/26	CASH ON HAND	056	5600.00	
02/27	CASH ON HAND	057	5700.00	
02/28	CASH ON HAND	058	5800.00	
02/29	CASH ON HAND	059	5900.00	
03/01	CASH ON HAND	060	6000.00	
03/02	CASH ON HAND	061	6100.00	
03/03	CASH ON HAND	062	6200.00	
03/04	CASH ON HAND	063	6300.00	
03/05	CASH ON HAND	064	6400.00	
03/06	CASH ON HAND	065	6500.00	
03/07	CASH ON HAND	066	6600.00	
03/08	CASH ON HAND	067	6700.00	
03/09	CASH ON HAND	068	6800.00	
03/10	CASH ON HAND	069	6900.00	
03/11	CASH ON HAND	070	7000.00	
03/12	CASH ON HAND	071	7100.00	
03/13	CASH ON HAND	072	7200.00	
03/14	CASH ON HAND	073	7300.00	
03/15	CASH ON HAND	074	7400.00	
03/16	CASH ON HAND	075	7500.00	
03/17	CASH ON HAND	076	7600.00	
03/18	CASH ON HAND	077	7700.00	
03/19	CASH ON HAND	078	7800.00	
03/20	CASH ON HAND	079	7900.00	
03/21	CASH ON HAND	080	8000.00	
03/22	CASH ON HAND	081	8100.00	
03/23	CASH ON HAND	082	8200.00	
03/24	CASH ON HAND	083	8300.00	
03/25	CASH ON HAND	084	8400.00	
03/26	CASH ON HAND	085	8500.00	
03/27	CASH ON HAND	086	8600.00	
03/28	CASH ON HAND	087	8700.00	
03/29	CASH ON HAND	088	8800.00	
03/30	CASH ON HAND	089	8900.00	
03/31	CASH ON HAND	090	9000.00	
04/01	CASH ON HAND	091	9100.00	
04/02	CASH ON HAND	092	9200.00	
04/03	CASH ON HAND	093	9300.00	
04/04	CASH ON HAND	094	9400.00	
04/05	CASH ON HAND	095	9500.00	
04/06	CASH ON HAND	096	9600.00	
04/07	CASH ON HAND	097	9700.00	
04/08	CASH ON HAND	098	9800.00	
04/09	CASH ON HAND	099	9900.00	
04/10	CASH ON HAND	100	10000.00	



Accounting Environment

- Accounting has been defined as the language of business
- Accounting enables organizations to determine how much profits or losses have been made in a particular period (financial year)
- Accounting provides statistical benchmarks against which an organization's overall performance is measured
- Accounting provides a universal explanation of the financial strength of an organization



History

- Double-entry bookkeeping was developed in the **mercantile period** of Europe
- To help rationalize commercial transactions and make trade more efficient
- It also helped merchants and bankers understand their costs and profits
- Some thinkers have argued that double-entry accounting was a key calculative technology responsible for the birth of capitalism



History

- The father of modern accounting is Italian Luca Pacioli, who in 1494 first described the system of double-entry bookkeeping used by Venetian merchants in his *Summa de Arithmetica, Geometria, Proportioni et Proportionalita*.



Accounting Principles

- All users will see the same financial statements
- Principles – to provide consistent usable financial statements
 - Relevance
 - Reliability
 - Comparability
 - Understandability



Accounting Concepts

- Concepts represent the rules that are applied in recording transactions and preparing the Financial Statements
 - **Business Entity Concept**
 - **Money Measurement Concept**
 - **Historic Cost Concept**
 - **Realisation Concept**
 - **Dual Aspect Concept**
 - **Consistency Concept**
 - **Materiality Concept**
 - **Accruals Concept**
 - **Prudence Concept**
 - **Going Concern Concept**
 - **Substance over Form**





**Award in Office Management and
Administration Fundamentals**


Double Entry



Double Entry

[ˈdɑːbəl ˈen-trɛ]

A fundamental concept underlying present-day bookkeeping and accounting which states that every financial transaction has equal and opposite effects in at least two different accounts.

 Investopedia



The Basics of Double Entry

- In the double-entry system, transactions are recorded in terms of debits and credits.
- Since a debit in one account offsets a credit in another, the sum of all debits must **equal** the sum of all credits.
- The double-entry system of book-keeping **standardizes** the accounting process and **improves** the accuracy of prepared financial statements, allowing for improved detection of errors.
- The list of all debits and all credits, as per each individual account in the Nominal Ledger is called a **TRIAL BALANCE**.



Examples of Double Entry Transactions

Purchase of machine by cash

- **Debit** Machine Account Increase in Asset
- **Credit** Cash Account Decrease in Asset

Payment of utility bills

- **Debit** Utility Expense Increase in Expense
- **Credit** Cash Account Decrease in Asset



Cash vs. Accrual Accounting

Cash accounting	Accrual accounting
Recognizes revenue when cash has been received	Recognizes revenue when it's earned (eg. when the project is complete)
Recognizes expenses when cash has been spent	Recognizes expenses when they're billed (eg. when you've received an invoice)
Taxes are not paid on money that hasn't been received yet	Taxes paid on money that you're still owed
Mostly used by small businesses and sole proprietors with no inventory	Required for businesses with high revenues



Trial Balance

- In the Trial Balance, all Nominal Accounts are listed according to their Account number
- The values are listed under the Debit or Credit column
- The sum total of each column must be **equal**

Trial balance for George's Catering on the 31 st of May 2010			
	FOLIO	DEBIT \$	CREDIT \$
Baking equipment	100	12,000	
Debtors	101	0	
Bank	102	14,800	
Capital	300		15,000
Drawings	301	500	
Loan	200		1,000
Creditors	201		0
Services rendered	400		15,500
Salaries	500	4,000	
Telephone expense	501	200	
		<u>31,500</u>	<u>31,500</u>

Management Accounts

- Management accounting is the practice of:
 - Identifying
 - Measuring
 - Analyzing
 - Interpreting
 - Communicating financial information

to managers for the pursuit of an organization's goals.

- Allows business to forecast and project future trends.



INTERNAL USE

Financial Accounting

- Financial accounting involves:
 - Recording
 - Summarizing
 - Reporting the stream of transactions and economic activity resulting from business operations over a period of time to the public or regulators.
- The financial statements produced through financial accounting are designed to disclose the business **performance** and financial **health**.



Financial vs Management Accounting

- Managerial accounting differs from financial accounting because the **intended purpose** of managerial accounting is to assist users **internal** to the company in making well-informed business decisions.
- If managerial accounting is created for a company's management; financial accounting is created for its investors, creditors, and industry regulators.



Statutory financial statements

- Income Statement
- Statement of Financial Position
- Cashflow Statement
- Audited Financial Statements
- Tax Returns
- VAT Returns



Income statement ... or profit & loss a/c ?

- Provides information on the results of the business activity for the particular period
- **Revenue**: Turnover; Sales of Goods; Provision of Services; Other Income
- **Cost of Sales**: Opening/Closing Stock; Purchases; Manufacturing Costs
- **GROSS PROFIT**
- **Expenses**: Marketing; Administration; Financial
- **Depreciation**
- **NET PROFIT** before TAX



Balance sheet... or statement of financial position !

- Provides a **SNAP SHOT** of the status and position of the Business Organisation at a **PARTICULAR** moment in time, e.g. 31 December 2022
- 3 main sections:
 - ASSETS
 - LIABILITIES
 - EQUITY / RETAINED EARNINGS



WHAT ARE ASSETS ?

What the business possesses

- Fixed Assets
 - Tangible / Intangible
- Current Assets
 - Stock
 - Receivables (or Debtors)
 - Cash in Hand
 - Bank holdings



...and liabilities ?

- What the business owes
- LONG-TERM LIABILITIES
- Bank Loans (due over 1 year)
- CURRENT LIABILITIES
- Payables (or Creditors)
- Accruals
- Bank Overdrafts
- Statutory Dues (Tax/VAT/FSS)



Assets minus liabilities = equity

Value of what the business possesses

LESS

Value of what the business owes to others

RESULTS IN

Net Value of Business

EQUITY (SHARE CAPITAL)

Retained Earnings (past profits)



Samples of Financial Statements

G2G P.L.C
Financial Statements for the year ended 31 December 2021

STATEMENT OF FINANCIAL POSITION
as at 31 December 2021

	Notes	2021 €	2020 €
ASSETS			
Non-current assets			
Investment in Gold	8	4,130,882	3,960,766
Deferred Tax		78,660	-
Total current assets		<u>4,209,542</u>	<u>3,960,766</u>
Current assets			
Financial assets at fair value through profit or loss	7	148,827	315,199
Prepayments and deferred income		6,679	11,679
Cash at bank and in hand	9	2,145	6,791
Accrued income		87,600	-
Total current assets		<u>245,151</u>	<u>333,669</u>
Total assets		<u>4,454,693</u>	<u>4,294,435</u>

EQUITY AND LIABILITIES

EQUITY

Share capital	12	46,500	46,500
Accumulated losses		68,779	(87,084)
Total equity		<u>115,279</u>	<u>(40,584)</u>

LIABILITIES

Current liability			
Other payables	11	85,048	262,570
Total current liabilities		<u>85,048</u>	<u>262,570</u>
Non-current liabilities			
Loans	13	3,068,306	3,000,000
Deferred financial liabilities	14	1,248,302	1,368,332
Total non-current liabilities		<u>4,316,608</u>	<u>4,368,332</u>
Total liabilities		<u>4,401,656</u>	<u>4,630,802</u>
Total equity and liabilities		<u>4,566,935</u>	<u>4,593,222</u>

The accompanying notes are an integral part of these financial statements. The financial statements on pages 4 to 22 were authorized and signed by the Board of Directors on 15 September 2022.

Antonio Rossi
Director

Enzo Galardi
Director

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G2G P.L.C

Financial Statements for the year ended 31 December 2021

STATEMENT OF FINANCIAL POSITION
as at 31 December 2021

	Notes	2021 €	2020 €
ASSETS			
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Investment in Gold	8	4,130,882	3,960,766
Deferred Tax		78,660	-
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Total assets		<u>4,454,693</u>	<u>4,294,435</u>



Samples of Financial Statements

GSG P.L.C

Financial Statements for the year ended 31 December 2021

STATEMENT OF FINANCIAL POSITION
as at 31 December 2021

	Notes	2021 €	2020 €
ASSETS			
Non-current assets			
Investment in fixed	8	4,190,847	3,948,194
Deferred Tax		70,690	-
Total non-current assets		4,261,537	3,948,194
Current assets			
Financial assets at fair value through profit or loss	7	146,827	215,120
Prepayments and accrued income		8,870	11,870
Cash at bank and in hand	2	2,145	6,791
Accrued income		67,590	-
Total current assets		223,432	233,781
Total assets		4,484,969	4,204,435

EQUITY AND LIABILITIES			
EQUITY			
Share capital	10	48,588	48,588
Accumulated losses		68,775	(87,563)
Total equity		115,363	(40,975)
LIABILITIES			
Current liability			
Other payables	11	98,348	269,078
Total current liabilities		98,348	269,078
Non-current liabilities			
Borrowings	13	3,000,000	3,000,000
Derivative financial liabilities	14	1,240,982	1,066,332
Total non-current liabilities		4,240,982	4,066,332
Total liabilities		4,339,330	4,335,410
Total equity and liabilities		4,484,693	4,294,435

The accompanying notes are an integral part of these financial statements. The financial statements on pages 4 to 20 were authorised and signed by the board of directors on 14 September 2022.

Antonio Rossi
Director

Elena Galardi
Director

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EQUITY AND LIABILITIES

EQUITY

Share capital	10	48,588	48,588
Accumulated losses		68,775	(87,563)
Total equity		115,363	(40,975)

LIABILITIES

Current liability			
Other payables	11	98,348	269,078
Total current liabilities		98,348	269,078

Non-current liabilities

Borrowings	13	3,000,000	3,000,000
Derivative financial liabilities	14	1,240,982	1,066,332
Total non-current liabilities		4,240,982	4,066,332

Total liabilities		4,339,330	4,335,410
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Total equity and liabilities		4,484,693	4,294,435
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The accompanying notes are an integral part of these financial statements. The financial statements on pages 4 to 20 were authorised and signed by the board of directors on 14 September 2022.

Antonio Rossi
Director

Ettore Spinoccia
Director

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Published Annual Reports

- As published this year
- Total of 212 pages
- Contains addresses from Chairman, and CEO
- Various Reports – Directors, Committees
- Financial Results
- Notes and Explanations



...and more Annual Reports



Company Announcements



COMPANY ANNOUNCEMENT

Condensed Interim Financial Statements 2022

Date of Announcement: 28 July 2022
Reference No: APS2022

The following is a Company Announcement issued by APS Bank plc (the "Bank") pursuant to the Capital Markets Rules issued by the Malta Financial Services Authority.

Update

The Board of Directors of APS Bank plc on 28 July 2022 and approved the attached Condensed Interim Financial Statements for the period ended 30 June 2022.

As the world is slowly transitioning into a post-pandemic era, economic instability is becoming more acute. Some nations' decisions - the geopolitical crisis emanating from the Russia-Ukraine war, continued global supply chain disruptions across various industries and inflationary pressures - which are leading to interest rate normalisation policies with cross-border currency effects. Amid these unprecedented challenges, the Bank posted record interim results which were in part covered by the negative result, after interest, of the investment in APS SICAV sub-fund at the Group level.

The following is an extract from the Condensed Interim Financial Statements for the period ended 30 June:

	The Group		The Bank	
	Jun-22	Jun-20	Jun-22	Jun-21
Profit before tax of bank	1.0	12.2	13.6	13.3
Net interest income of bank	29.6	26.3	29.6	35.6
Operating income before net impairment of assets	27.0	36.4	36.4	29.5
Operating costs of bank	(25.0)	(24.4)	(22.8)	(19.5)
Net impairment charges/gains of assets	(9.3)	1.7	(9.1)	1.3
ROA (%)	15.5	7.7	9.1	7.6
Capital Adequacy Ratio (%)	29.5	17.5	20.3	17.5
Cost Income (%)	83.1	65.2	62.5	66.4
	Jun-22	Jun-20	Jun-22	Jun-21
Loan book of bank	2,796	2,089	2,796	2,086
Total assets of bank	3,074	2,740	3,029	2,713
Customer deposits of bank	2,619	2,022	2,620	2,013
Total equity of bank	249	120	101	148

Registered Office: APS Bank plc, APS Group, Tower Street, St. Julian's SLS 1011 - Malta
Registration Number: 21212 | Website: www.apsbank.com | E-mail: information@apsbank.com | Tel: +35620800

APS Bank plc is regulated by the Malta Financial Services Authority as a Credit Institution under the Banking Act (2008) and licensed to carry out its banking business under the Investment Services Act (2007). The Bank is also registered as a Credit Institution under the Investment Services Act (2007).



Financial Performance

For the six months ended 30 June 2022, APS Bank registered €1.0 million profit before tax at the Group level (2021: €12.2 million) and €13.6 million profit before tax at the Bank level (2021: €11.3 million).

The Group's revenues remain largely driven by net interest income which grew to €29.6 million for the period under review, 13.2% higher than the comparable figure of €26.3 million for 2021. Despite the tight interest rate conditions which prevented the growth in the lending book across both personal and commercial credit lines, and to a lesser extent in the capitalised bank-owned infrastructure for special interest payable structured around the same level of 2020/21 at €6.9 million, ensuring the management's ability to achieve more efficient cost of funding with stable interest giving on higher deposit balances.

Net interest income grew by 15.7% over 2021, reaching €13.6 million. The growth is driven by general business activity in loans, payments and cash and a wider customer base which provides the sources of revenue generation.

For the six months under review, the Group's other operating income was total net income of €9.6 million. This was largely due to the recent financial market volatility and rising fixed income yields which negatively affected the investment in the Group's sub-fund. These results reflect the performance of major loans and equity sub-fund, both in Malta and internationally, which have returned by double-digit figures over the rest of the year. Other operating revenue from financial operations amounted to €1.6 million, decreasing by €1.2 million over the comparative period.

Operating expenses for the six months ended 30 June 2022 were €21.0 million, up by €1.2 million or 6.0% on 2021. Main contributors to this higher amount of €1.0 million in relation to the Deposit Compensation Scheme ("DCS") continuing from the Legal Service 103 which brought forward a recovery period originally intended to be concluded in 2024. Staff costs also increased, reflecting strong labour prices across all levels and also the Group's commitment to attract and retain highly skilled resources, and invest in both re-training and learning. Other increases are attributable to new classes of resources, security and estate sub-contrasted activities. Consequently, various initiatives are under way to improve efficiency through greater automation, digitisation of manual, centralisation of processes from the network and greater use of robotics and technologies.

Net impairment charges amounted to €9.3 million, in contrast with the €1.7 million netback for (H12021) that had resulted from a reversal of impairment on layers reserved in the prior Covid-19 financial year. The Group consequently posts a prudent view of credit in line with its risk appetite and respectful of general economic conditions and outlook.

Financial Position

Total assets stood at €3.0 billion for the reporting period, higher expending by €29.7 million or 0.9% on the just six months. This growth was largely driven by the increase in the Bank's lending book which over 2021 grew by 4.4% to €2.7 billion. These findings to credit contracts remained a main driver for the growth, allowing the Bank's strong market position in this segment. The liquidity mark also grew significantly during the six months under review, with the liquidity fund income portfolio increasing by €27.0 million to reach €175.1 million while cash and treasury with the Central Bank of Malta growing to €291.6 million compared to the €250.7 million at December 2021. Consequently, funding through short-term deposits increased by €205.7 million against a reduction of €14.6 million in term deposits. This further improving the deposit portfolio mix, increasing total to banks stand at €76.1 million, increasing by €12.9 million on December 2021.

Registered Office: APS Bank plc, APS Group, Tower Street, St. Julian's SLS 1011 - Malta
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The general under review also saw the Bank conclude the final phase of its 2014-2022 Capital Development Plan, which has ensured the growth of most years, largely in line with the Bank's stated capital policy (offering 0.6% of 1.0 million ordinary shares at an offer price of €0.60 per share, raising 600 million of net equity). The highly successful ONS, which was closed to primary and secondary marketplaces, led to the listing of the Bank's entire share capital on the Malta Stock Exchange. It had seen the Bank's 2021 net result at 16.4% and the Capital Adequacy Ratio ("CAR") at 29.5%.

Website

The Board is recommending an interim dividend of €1,200,000 (gross dividend of €1,300,000) payable through the transfer of one ordinary share in the amount of €0.33 per ordinary share. The net dividend represents 50.0% of the net profit after tax (gross dividend of 77.0% of net profit) which is subject to any regulatory approvals required. An Extraordinary General Meeting ("EGM") will be convened to approve the transfer of net assets in satisfaction of the interim dividend. A separate announcement will be issued to the media concerning the date of the EGM for later in the year and after the interim period.

CEO Shared Commentary

"I am pleased to see (Quarterly Financial Update of April 2022) the full of 2022 performance commencing well as the interim results achieved in the Bank of a good financial outcome, robust operational performance of the Bank. More importantly, the structure of the Bank and the approach to capital management in both strategic and operational levels have reflected the performance and resilience of the Bank. The Bank's global developments are also in line with our wider open economy through higher rates of input and operational growth. Being partly offset by Government activities which however contribute to a decline in public debt against the backdrop of the Malta economy is increasingly strong growth, fuelled by a healthier than expected tourism sector and helped by the recovery from the EFTF pay rise.

While an increase in interest rates should generally be expected to benefit bank deposits, it may also impact the ability of clients to service their requirements, making the operation of large public infrastructure. It is still early to discern the full extent of interest rate normalisation and costs. However, the Bank is entering a work in progress balance sheet, fortified by a high capital ratio, ample liquidity and a conservative approach resulting from a credit and sound business model.

In the months ahead, the public administration and regulatory areas are a further environment, but should report robust financial statements as they begin the essential phase of their recovery. Throughout this period, APS Bank continues strengthening the fundamentally of its core business lines, asset quality and capital. The business also continues to build a high capital ratio, ample liquidity, and ensure robust operating earnings from a solid business model. Having set the Bank of a highly successful FY21, we look forward to the next phase with confidence and optimism for the opportunities that lie ahead."

The Condensed Interim Financial Statements for the period ending 30 June 2022 can be viewed on the Bank's website: www.apsbank.com/interim-financial-statements.

Figure



Grouped by S.A., 11.2.2022
1 Update Summary

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APS Bank plc is regulated by the Malta Financial Services Authority as a Credit Institution under the Banking Act (2008) and licensed to carry out its banking business under the Investment Services Act (2007). The Bank is also registered as a Credit Institution under the Investment Services Act (2007).





**Award in Office Management and
Administration Fundamentals**