

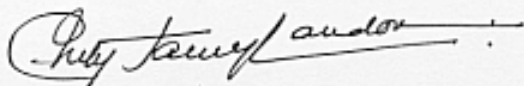
COMPANY ANNOUNCEMENT

The following is a Company Announcement by HSBC Bank Malta p.l.c. pursuant to Malta Stock Exchange Bye-Law 6.05.04(iii) and 6.05.06(iii):

Quote:

The Board of Directors of HSBC Bank Malta p.l.c. approved the attached Preliminary Profit Statement for the financial year ended 31 December 2001.

Unquote



Dr. Philip Farrugia Randon LL.D.K.M.
Company Secretary

15 February 2002

HSBC Bank Malta p.l.c.
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Registered in Malta number C3177. Registered Office: 233 Republic Street, Valletta VLT 05
Regulated by the Central Bank of Malta, The Malta Financial Services Centre and the Malta Stock Exchange.
Licensed to conduct Investment Services business by the Malta Financial Services Centre.

HSBC Bank Malta p.l.c. Preliminary Profit Statement for the year ended 31 December 2001

(Published in terms of Section 6.05.06 (iii) of the Bye Laws of the Malta Stock Exchange)

	Group		Bank	
	2001	2000	2001	2000
	Lm000	Lm000	Lm000	Lm000
Interest receivable and similar income	82,588	84,333	76,571	78,891
Interest payable	(51,721)	(53,933)	(52,681)	(54,644)
Net interest income	30,867	30,400	23,890	24,247
Other net operating income	20,424	17,622	17,227	15,337
Total operating income	51,291	48,022	41,117	39,584
Operating expenses	(28,551)	(26,310)	(26,879)	(24,666)
Net amortisation of goodwill	(287)	(300)	(205)	(205)
Operating profit before impairment losses and provisions	22,453	21,412	14,033	14,713
Net impairment losses	(5,842)	(4,684)	(5,670)	(4,558)
Provision for contingent liabilities and other charges	(15)	49	(15)	49
Operating profit before exceptional item	16,596	16,777	8,348	10,204
Exceptional item	(834)	(2,855)	(834)	(2,797)
Profit on ordinary activities before tax	15,762	13,922	7,514	7,407
Tax on profit on ordinary activities	(2,520)	(3,473)	(2,582)	(1,975)
Profit on ordinary activities after tax	13,242	10,449	4,932	5,432
Profit attributable to minority interests	-	(109)	-	-
Profit for the financial year attributable to shareholders	13,242	10,340	4,932	5,432
Earnings per share	36.3c	28.3c	13.5c	14.9c
Dividends, net of income tax	3,083	2,608	3,083	2,608

Balance sheet extracts as at

	31/12/01	31/12/00	31/12/01	31/12/00
<i>(Figures in Lm millions)</i>				
Total assets	1,456	1,415	1,409	1,349
Loans and advances to customers	878	848	733	717
Amounts owed to customers	1,223	1,183	1,069	1,035
Shareholders' funds	104	93	104	94

The group profit and loss account and balance sheet for the year ended 31 December 2000 have been restated as a result of the adoption of an accounting policy for the recognition of the value of in-force life assurance business.

Review of group performance

The published figures have been extracted from HSBC Bank Malta's group audited accounts for year ended 31 December 2001 as approved by the Board of Directors on 15 February 2002.

In 2001, HSBC Bank Malta and its subsidiaries generated a profit on ordinary activities before tax of Lm15.8 million which represents an increase of Lm1.8 million, or 13.2 per cent when compared to the restated profit for the year ended 31 December 2000.

The restatement of comparative amounts results from a change in accounting policy to recognise the value of in-force life assurance business. The impact on the 2000 comparative figure is to reduce other operating income by Lm1.1 million. Additionally, from 1 January 2001 the group adopted IAS 39 - Financial Instruments: Recognition and Measurement. The principal effect on the financial statements relates to the basis of valuation of certain classes of financial assets which has been accounted for by increasing the opening balance of shareholders' funds by Lm2.5 million.

Profit attributable to shareholders was Lm13.2 million, an increase of Lm2.9 million (28.1 per cent) over the previous year.

Net interest income of Lm30.9 million was Lm0.5 million or 1.5 per cent higher, when compared to 2000. Other net operating income rose by Lm2.8 million or 15.9 per cent and operating expenses increased by Lm2.2 million or 8.5 per cent, on 2000 levels.

The group's cost to income ratio improved to 57.3 per cent from 60.7 per cent in 2000.

Net impairment losses during 2001 were Lm5.8 million, an increase of Lm1.2 million over the previous year.

The directors have proposed a final dividend of 8 cents per ordinary share that, together with the interim dividend of 5 cents, results in a total distribution of 13 cents. This represents an increase of 2 cents per share (18.2 per cent) over the previous year's dividend distribution. The dividend is covered 4.3 times by attributable profit (2000: 4.0 times).

The dividend, which will be approved at the next Annual General Meeting, will be paid to shareholders who are on the Register of Members of the company on 20 February 2002.

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