



COMPANY ANNOUNCEMENT

HSBC Bank Malta plc (HSBC Malta) is required to publish the following Interim Directors' Statement covering the period from 1 July 2007 to 31 October 2007 under Listing Rules 9.51 and 9.53 of the Malta Financial Services Authority.

Quote:

HSBC BANK MALTA PLC INTERIM DIRECTORS' STATEMENT

HSBC Malta has maintained good business growth to date in 2007, continuing the positive profit and balance sheet trends reported in its first half 2007 results as reported in the Company Announcement of 30 July 2007.

As at 31 October 2007 both customers' deposits and customers' loans increased strongly over the prior October end, whilst maintaining a steady and stable loans to deposits ratio. The core income and profitability levels disclosed in the first half 2007 results were sustained during this financial period. There was no deterioration in the quality of credit lending whilst liquidity and solvency indicators remained sound and ahead of regulatory levels.

During the third quarter, work on major projects has progressed well, including the adoption of the euro, implementation of SEPA, Basel 2 and 'Chip and Pin' card functionality.

HSBC Malta continued to work on client-focused initiatives, which improve customer experience and satisfaction, and on operational processes. The HSBC Group's second generation Personal Internet Banking and Business Internet Banking facilities were launched in August improving Direct Channels and making it easier, and more convenient for customers.

In September, as a further part of the HSBC Group's initiative to 'join up' the organisation, HSBC Malta participated in the first global product launch by HSBC – Global Premier – for its high value clients. In addition, HSBC Malta has utilised the HSBC Group's technology platforms to launch HSBCnet and Global Links systems for Institutional and Corporate customers to help them with international business.

HSBC Bank Malta p.l.c.

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HSBC Bank Malta Interim Directors' Statement/2


Shaun Wallis, Director and Chief Executive Officer, HSBC Bank Malta plc, commented:

“The Bank continues to deliver on our strategy of building sustainable growth by focusing on our main customer groups – putting them at the centre of everything we do. By leveraging the HSBC Group’s global expertise, we have increased business efficiency to support our increased client base and business volumes, and to reduce our unit costs.

“HSBC Malta has a conservative balance sheet policy with relatively minimal funding from the wholesale markets, and minimal investment in non-government securities. Consequently, the uncertainty that has affected international markets over recent months has had no material impact on our business.

“We remain confident that we can continue to grow the business and revenues and in a sustainable manner through the remainder of this year.”

Unquote

A handwritten signature in black ink, appearing to read 'G Brancalone', written in a cursive style.

Dr George Brancalone LL.D.
Company Secretary

19 November 2007