



## **COMPANY ANNOUNCEMENT**

HSBC Bank Malta plc (HSBC Malta) is required to publish the following Interim Directors' Statement covering the period from 1 January 2008 to 16 May 2008 (the date of the Statement) under Listing Rules 9.51 and 9.53 of the Malta Financial Services Authority.

### ***Quote:***

### **HSBC BANK MALTA PLC INTERIM DIRECTORS' STATEMENT**

HSBC Bank Malta plc has recorded satisfactory progress for the period 1 January 2008 to 16 May 2008. The period under review was characterised by a general slowdown in business activity, primarily due to the currency transition to the euro and the general elections.

Profit before tax was lower than for the period 1 January to 18 May 2007. Interest income in the period was below expectations because of tighter margins and heightened competition, while non-interest income was also lower, primarily due to significantly reduced foreign exchange dealing income as a result of Malta's adoption of the euro on 1 January 2008.

Operating expenses have been kept under tight control. While the Bank continues to upgrade its systems and processes it is also reaping the benefits of past investments which have increased operational efficiency and improved customer service delivery.

The quality of the overall loan book remains good, with loans and advances to customers continuing to increase. There was no deterioration in the quality of credit lending whilst liquidity and solvency indicators remain sound and above regulatory levels.

*more*

### **HSBC Bank Malta p.l.c.**

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Registered in Malta number C3177. Registered Office: 233 Republic Street, Valletta VLT 1116  
Regulated by the Malta Financial Services Authority and listed on the Malta Stock Exchange.  
Licensed to conduct Investment Services business by the Malta Financial Services Authority.

During the period under review, the Balance Sheet continued to grow at a steady pace. Good growth was recorded in total assets and customers' deposits also showed significant growth.

***Alan Richards, Director and Chief Executive Officer of HSBC Bank Malta p.l.c. said:***  
***“The first quarter of 2008 has been challenging, however, we still managed to register satisfactory results amidst softer local market conditions. The bank is financially sound and has a conservative balance sheet policy with relatively low funding from the wholesale markets, and minimal investment in non-government securities. Hence, the turmoil that is being experienced in international markets has had no material impact on our business.***

“We remain focussed on supporting our customers, driving further improvements to cost efficiency, and are confident that we will continue to deliver sustainable growth throughout 2008.”

***Unquote***



**Dr George Brancalone LL.D.**  
**Company Secretary**

**16 May 2008**