



COMPANY ANNOUNCEMENT

HSBC Bank Malta p.l.c. (HSBC Malta) is required to publish the following Interim Directors' Statement covering the period from 1 Jan 2010 to 11 May 2010 (the date of the Statement) under Listing Rules 9.51 and 9.53 of the Malta Financial Services Authority.

Quote:

HSBC BANK MALTA P.L.C. INTERIM DIRECTORS' STATEMENT

HSBC Bank Malta p.l.c. performed strongly in the period 1 January 2010 to 11 May 2010. The bank has made further progress in improving revenue and costs disciplines during the period under review. Loan impairments weakened modestly, in line with expectations.

The bank has seen a slight softening in demand for loans reflecting the economic slowdown. HSBC Malta continues to provide responsible support for its customers, both depositors and borrowers.

Deposits registered a slight increase in a period characterised by a number of local government and corporate bond issues and growing competitive pressures. The bank has maintained a strong liquidity position with a steady and stable loans to deposits ratio. The credit quality of the available-for-sale investments portfolio remains satisfactory and has improved over the reporting period. The capital ratio remains well above regulatory requirements.

Alan Richards, Director and Chief Executive Officer of HSBC Malta, said: "We are encouraged by the bank's performance during the period to 11 May 2010. After five consecutive quarters of negative GDP growth, the local economy is stabilising, has returned to growth and should remain positive for the rest of the year. We are not entirely out of the woods as the broader Eurozone recovery is, at best, fragile and significant risks remain. We continue to monitor the current situation closely.

"We have made good progress in the quarter and we continue to emphasise our competitive advantage as an international bank. We remain well capitalised, liquid and very much open for business."

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.*

Notes to editors:

1. Basis of preparation

This statement is based on the unaudited management accounts of HSBC Bank Malta p.l.c. up to 31 March 2010 and other financial information.

2. The HSBC Group

HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. The Group serves customers worldwide from around 8,500 offices in 86 countries and territories in Europe, the Asia-Pacific region, the Americas, the Middle East and Africa. With assets of US\$2,364 billion at 31 December 2009, HSBC is one of the world's largest banking and financial services organisations. HSBC is marketed worldwide as 'the world's local bank'.

Unquote



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

11 May 2010