



## COMPANY ANNOUNCEMENT

The following is a company announcement issued by HSBC Bank Malta p.l.c. pursuant to Malta Financial Services Authority Listing Rules.

*Quote:*

In a meeting of 5 August 2013, the Board of Directors of HSBC Bank Malta p.l.c. approved the attached Group and Bank Interim Unaudited Financial Statements for the six-month period ended 30 June 2013. The Board also declared the payment of an ordinary interim dividend of 10.0 cent gross per share (6.5 cent net of tax).

The Interim Accounts for the period ending 30 June 2013 are available for viewing and download on the bank's website at [www.hsbc.com.mt](http://www.hsbc.com.mt)

*Unquote*

A handwritten signature in black ink, appearing to be "G. Brancalone".

Dr. George Brancalone LL.D.  
Company Secretary

5 August 2013

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

Company Secretary, Head Office, 116, Archbishop Street, Valletta VLT1444  
Tel: (+356) 23802404 23802405

*Registered in Malta number C3177. Registered Office: 116, Archbishop Street, Valletta VLT 1444, Malta  
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.*

5 August 2013

**HSBC BANK MALTA P.L.C.  
HALF-YEARLY RESULTS FOR 2013**

- Profit before tax of €3m for the six months ended 30 June 2013 - in line with the same period in 2012.
- Profit attributable to shareholders of €4m for the six months ended 30 June 2013 - in line with the same period in 2012, resulting in earnings per share of 11.8 cent.
- Total assets of €5,748m at 30 June 2013, down €139m, or 2%, compared with 31 December 2012.
- Customer accounts of €4,447m at 30 June 2013, down €70m, or 2%, compared with 31 December 2012.
- Return on equity for the six months ended 30 June 2013 of 16.3%, compared with 17.8% for the first half of 2012.
- Cost efficiency ratio for the period ended 30 June 2013 of 45.9%, compared with 45.4% for the same period in 2012.
- Capital adequacy ratio of 12.9% at 30 June 2013 compared with 12.4% at 31 December 2012. Core tier 1 ratio of 8.9% at 30 June 2013, compared with 8.3% at 31 December 2012.

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## Commentary

HSBC Bank Malta p.l.c. delivered a resilient performance in the six months ended 30 June 2013 reporting a profit before tax of €3m in line with the comparable period in 2012. This was principally the result of strong balance sheet management, effective cost control and a good performance from the Life business offset by the impact of lower interest margin earned.

All the three main business lines, Retail Banking and Wealth Management, Commercial Banking and Global Banking and Markets, were profitable during the period under review.

Net interest income reduced by 6% to €3m compared with €8m in the first half of 2012. The fall in net interest income reflected the impact of lower yields as the loan portfolio repriced in the low interest environment and lower average lending balances. This was partially offset by a fall in the cost of funds resulting from a move by customers to more readily accessible, shorter-dated deposits. In addition, a lower level of interest income was earned on debt securities as the proceeds of higher yielding maturing bonds were re-invested at lower yields.

Net fee and commission income of €16m for the six months ended 30 June 2013 was in line with first half of 2012.

HSBC Life Assurance (Malta) Ltd reported a profit before tax of €8m compared with €7m in the first half of 2012 reflecting a release in with profits modelling reserves as a result of improved product performance.

A net gain of €4m was reported on a higher level of disposals of available-for-sale securities compared to a net gain of €2m in the comparable period in 2012.

Operating expenses at €45m were well controlled and broadly in line with the first half of 2012. The increase of €1m, or 9%, in administrative expenses reflected a higher contribution by the bank to the depositor guarantee scheme and a rise in compliance, security and fraud-risk related costs. The continued investment to improve technology capabilities was funded by savings from simplification and re-engineering of processes. Cost efficiency ratio at 45.9% is in line with last year's ratio of 45.4%.

The bank's focus continues to be that of building a high quality asset base and, despite the ongoing economic uncertainties, there were no material new loan impairments reported in the period. Loan impairments at €0.8m were in line with the comparable period in 2012. At a bank level, non-performing loans remained stable at 5% of gross loans and asset quality remains generally good.

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## HSBC Bank Malta p.l.c. Half-Yearly Results for 2013/4

Net loans and advances to customers at €3,336m were only €18m lower than at 31 December 2012. In spite of a softening in loan demand the bank provided gross new lending to customers of €18m in the period. This reflects the bank's continued support to the local economy.

Customer deposits declined by €70m to €4,447m reflecting the normal volatility of corporate and institutional deposits. This fall was partially offset by higher levels of retail deposits achieved despite the heightened competition for deposits.

The bank's available-for-sale investment portfolio remains well diversified and conservatively positioned.

The bank's liquidity position remains strong with an advances-to-deposits ratio of 75% compared with 74% at 31 December 2012.

The bank continued to strengthen its capital ratio which was 12.9% at 30 June 2013, comfortably exceeding the 8% minimum regulatory capital requirement. The bank intends to maintain a conservative approach to capital and will continue to build its capital where considered appropriate.

Mark Watkinson, Director and Chief Executive Officer of HSBC Malta, said: "We have continued to deliver resilient results for our shareholders against a very challenging European backdrop. Global conditions look to remain difficult for the medium term. However as part of one of the world's largest banking groups, operating in 80 countries and territories, HSBC Malta is well positioned to assist its customers explore opportunities in some of the world's faster growing markets.

"I would like to take this opportunity to thank our staff, directors and shareholders for their commitment, hard work and support during the first half of 2013."

The board is declaring an interim gross dividend of 10.0 cent per share (6.5 cent net of tax). This will be paid on 5 September 2013 to shareholders who are on the bank's register of shareholders at 16 August 2013.

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HSBC Bank Malta p.l.c. Half-Yearly Results for 2013/5

Income Statements for the period 1 January 2013 to 30 June 2013

	<i>Group</i>		<i>Bank</i>	
	<b>6 mths to 30/06/13</b>	6 mths to 30/06/12	<b>6 mths to 30/06/13</b>	6 mths to 30/06/12
	<b>€000</b>	€000	<b>€000</b>	€000
Interest receivable and similar income				
- on loans and advances, balances				
with Central Bank of Malta, Treasury Bills				
and other instruments	<b>72,757</b>	76,742	<b>72,745</b>	76,733
- on debt and other fixed income instruments	<b>9,516</b>	12,137	<b>9,152</b>	11,094
Interest expense	<b>(18,766)</b>	(21,248)	<b>(18,826)</b>	(21,434)
<b>Net interest income</b>	<b>63,507</b>	67,631	<b>63,071</b>	66,393
Fee and commission income	<b>16,491</b>	16,821	<b>14,730</b>	14,584
Fee and commission expense	<b>(861)</b>	(1,015)	<b>(732)</b>	(821)
<b>Net fee and commission income</b>	<b>15,630</b>	15,806	<b>13,998</b>	13,763
Dividend income	-	-	<b>7,692</b>	7,680
Trading profits	<b>4,885</b>	4,525	<b>4,885</b>	4,525
Net income from insurance financial instruments				
designated at fair value	<b>12,687</b>	17,385	-	-
Net gains on sale of				
available-for-sale financial investments	<b>3,595</b>	2,247	<b>3,568</b>	2,175
Net earned insurance premiums	<b>34,493</b>	33,446	-	-
Net other operating (expense)/income	<b>(619)</b>	4,510	<b>397</b>	431
<b>Total operating income</b>	<b>134,178</b>	145,550	<b>93,611</b>	94,967
Net insurance claims incurred and movement				
in policyholders' liabilities	<b>(35,596)</b>	(46,435)	-	-
<b>Net operating income</b>	<b>98,582</b>	99,115	<b>93,611</b>	94,967
Employee compensation and benefits	<b>(24,035)</b>	(25,007)	<b>(22,326)</b>	(23,378)
General and administrative expenses	<b>(18,051)</b>	(16,613)	<b>(16,791)</b>	(15,480)
Depreciation	<b>(1,734)</b>	(2,144)	<b>(1,730)</b>	(2,140)
Amortisation	<b>(1,428)</b>	(1,196)	<b>(1,413)</b>	(1,187)
<b>Net operating income before net impairment</b>				
<b>charges and provisions</b>	<b>53,334</b>	54,155	<b>51,351</b>	52,782
Net impairment	<b>(351)</b>	(826)	<b>(351)</b>	(806)
Net provisions for liabilities and other recoveries	<b>52</b>	-	<b>52</b>	-
<b>Profit before tax</b>	<b>53,035</b>	53,329	<b>51,052</b>	51,976
Tax expense	<b>(18,689)</b>	(18,819)	<b>(17,995)</b>	(18,337)
<b>Profit for the period</b>	<b>34,346</b>	34,510	<b>33,057</b>	33,639
<b>Profit attributable to shareholders</b>	<b>34,346</b>	34,510	<b>33,057</b>	33,639
<b>Earnings per share</b>	<b>11.8c</b>	11.8c	<b>11.3c</b>	11.5c

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HSBC Bank Malta p.l.c. Half-Yearly Results for 2013/6

**Statements of Comprehensive Income for the period 1 January 2013 to 30 June 2013**

	<i>Group</i>		<i>Bank</i>	
	<b>6 mths to 30/06/13</b>	6 mths to 30/06/12	<b>6 mths to 30/06/13</b>	6 mths to 30/06/12
	<b>€000</b>	€000	<b>€000</b>	€000
<b>Profit attributable to shareholders</b>	<b>34,346</b>	34,510	<b>33,057</b>	33,639
<b>Other comprehensive income</b>				
Available-for-sale investments:				
- fair value gains	<b>6,089</b>	3,700	<b>6,186</b>	3,664
- fair value gains transferred to profit or loss on disposal	<b>(3,595)</b>	(2,247)	<b>(3,568)</b>	(2,175)
- income taxes	<b>(873)</b>	(509)	<b>(916)</b>	(521)
<b>Other comprehensive income for the period, net of tax</b>	<b>1,621</b>	944	<b>1,702</b>	968
<b>Total comprehensive income for the period, net of tax</b>	<b>35,967</b>	35,454	<b>34,759</b>	34,607

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HSBC Bank Malta p.l.c. Half-Yearly Results for 2013/7

Statements of Financial Position at 30 June 2013

	<i>Group</i>		<i>Bank</i>	
	<b>30/06/13</b>	31/12/12	<b>30/06/13</b>	31/12/12
	€000	€000	€000	€000
<b>Assets</b>				
Balances with Central Bank of Malta,				
Treasury Bills and cash	<b>114,017</b>	106,991	<b>109,626</b>	106,990
Cheques in course of collection	<b>11,647</b>	7,211	<b>11,647</b>	7,211
Derivatives	<b>12,473</b>	17,615	<b>12,473</b>	17,615
Financial assets designated at fair value	<b>467,174</b>	454,591	-	-
Financial investments	<b>995,837</b>	987,471	<b>972,993</b>	962,721
Loans and advances to banks	<b>537,445</b>	681,352	<b>537,233</b>	678,765
Loans and advances to customers	<b>3,336,120</b>	3,354,413	<b>3,336,120</b>	3,354,413
Shares in subsidiary companies	-	-	<b>35,707</b>	35,707
Intangible assets	<b>88,859</b>	91,210	<b>10,894</b>	11,943
Property, plant and equipment	<b>53,809</b>	54,872	<b>53,894</b>	54,953
Investment property	<b>14,471</b>	14,471	<b>11,660</b>	11,660
Non-current assets held for sale	<b>10,809</b>	11,240	<b>10,809</b>	11,240
Current tax assets	<b>5,544</b>	6,134	<b>979</b>	2,727
Deferred tax assets	<b>9,351</b>	11,273	<b>9,331</b>	11,253
Other assets	<b>50,307</b>	46,509	<b>8,755</b>	8,982
Prepayments and accrued income	<b>40,007</b>	41,121	<b>35,544</b>	35,699
<b>Total assets</b>	<b>5,747,870</b>	5,886,474	<b>5,157,665</b>	5,311,879
<b>Liabilities</b>				
Derivatives	<b>13,053</b>	17,857	<b>13,084</b>	18,172
Deposits by banks	<b>149,091</b>	258,611	<b>149,091</b>	258,611
Customer accounts	<b>4,446,579</b>	4,516,999	<b>4,472,073</b>	4,537,127
Current tax liabilities	<b>8,366</b>	24	<b>8,218</b>	-
Deferred tax liabilities	<b>27,221</b>	24,363	-	-
Liabilities to customers under investment contracts	<b>17,355</b>	17,254	-	-
Liabilities under insurance contracts issued	<b>509,075</b>	493,254	-	-
Other liabilities	<b>33,272</b>	29,222	<b>27,474</b>	24,395
Accruals and deferred income	<b>30,905</b>	33,559	<b>29,882</b>	32,143
Provisions for liabilities and other charges	<b>4,047</b>	7,493	<b>3,980</b>	7,423
Subordinated liabilities	<b>87,266</b>	87,240	<b>88,013</b>	87,987
<b>Total liabilities</b>	<b>5,326,230</b>	5,485,876	<b>4,791,815</b>	4,965,858
<b>Equity</b>				
Called up share capital	<b>87,552</b>	87,552	<b>87,552</b>	87,552
Revaluation reserve	<b>39,258</b>	37,637	<b>38,677</b>	36,975
Retained earnings	<b>294,830</b>	275,409	<b>239,621</b>	221,494
<b>Total equity</b>	<b>421,640</b>	400,598	<b>365,850</b>	346,021
<b>Total liabilities and equity</b>	<b>5,747,870</b>	5,886,474	<b>5,157,665</b>	5,311,879
<b>Memorandum items</b>				
Contingent liabilities	<b>105,172</b>	104,569	<b>106,875</b>	106,272
Commitments	<b>1,046,182</b>	1,073,831	<b>1,051,759</b>	1,081,194

The financial statements were approved and authorised for issue by the Board of Directors on 5 August 2013 and signed on its behalf by:

Sonny Portelli *Chairman*

Mark Watkinson, *Chief Executive Officer*

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HSBC Bank Malta p.l.c. Half-Yearly Results for 2013/8

**Statements of Changes in Equity for the period 1 January 2013 to 30 June 2013**

	<i>Share capital</i>	<i>Revaluation reserve</i>	<i>Retained earnings</i>	<i>Total equity</i>
	<b>€000</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>
<i>Group</i>				
At 1 January 2013	87,552	37,637	275,409	400,598
Profit for the period	-	-	34,346	34,346
<b>Other comprehensive income</b>				
Available-for-sale investments:				
- fair value gains, net of tax	-	3,958	-	3,958
- fair value gains transferred to profit or loss on disposal, net of tax	-	(2,337)	-	(2,337)
<b>Total other comprehensive income</b>	-	1,621	-	1,621
<b>Total comprehensive income for the period</b>	-	1,621	34,346	35,967
<b>Transactions with owners, recognised directly in equity</b>				
Contributions by and distributions to owners:				
- share-based payments	-	-	61	61
- dividends	-	-	(14,986)	(14,986)
<b>Total contributions by and distributions to owners</b>	-	-	(14,925)	(14,925)
<b>At 30 June 2013</b>	<b>87,552</b>	<b>39,258</b>	<b>294,830</b>	<b>421,640</b>
At 1 January 2012	87,552	32,872	246,041	366,465
Profit for the period	-	-	34,510	34,510
<b>Other comprehensive income</b>				
Available-for-sale investments:				
- fair value gains, net of tax	-	2,405	-	2,405
- fair value gains transferred to profit or loss on disposal, net of tax	-	(1,461)	-	(1,461)
<b>Total other comprehensive income</b>	-	944	-	944
<b>Total comprehensive income for the period</b>	-	944	34,510	35,454
<b>Transactions with owners, recognised directly in equity</b>				
Contributions by and distributions to owners:				
- share-based payments	-	-	156	156
- dividends	-	-	(13,658)	(13,658)
<b>Total contributions by and distributions to owners</b>	-	-	(13,502)	(13,502)
At 30 June 2012	87,552	33,816	267,049	388,417

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**Statements of Changes in Equity for the period 1 January 2013 to 30 June 2013**

	<i>Share capital</i>	<i>Revaluation reserve</i>	<i>Retained earnings</i>	<i>Total equity</i>
	<b>€000</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>
<i>Bank</i>				
At 1 January 2013	87,552	36,975	221,494	346,021
Profit for the period	-	-	33,057	33,057
<b>Other comprehensive income</b>				
Available-for-sale investments:				
- fair value gains, net of tax	-	4,021	-	4,021
- fair value gains transferred to profit or loss on disposal, net of tax	-	(2,319)	-	(2,319)
<b>Total other comprehensive income</b>	-	<b>1,702</b>	-	<b>1,702</b>
<b>Total comprehensive income for the period</b>	-	<b>1,702</b>	<b>33,057</b>	<b>34,759</b>
<b>Transactions with owners, recognised directly in equity</b>				
Contributions by and distributions to owners:				
- share-based payments	-	-	56	56
- dividends	-	-	(14,986)	(14,986)
<b>Total contributions by and distributions to owners</b>	-	-	<b>(14,930)</b>	<b>(14,930)</b>
<b>At 30 June 2013</b>	<b>87,552</b>	<b>38,677</b>	<b>239,621</b>	<b>365,850</b>
At 1 January 2012	87,552	32,099	192,203	311,854
Profit for the period	-	-	33,639	33,639
<b>Other comprehensive income</b>				
Available-for-sale investments:				
- fair value gains, net of tax	-	2,382	-	2,382
- fair value gains transferred to profit or loss on disposal, net of tax	-	(1,414)	-	(1,414)
<b>Total other comprehensive income</b>	-	<b>968</b>	-	<b>968</b>
<b>Total comprehensive income for the period</b>	-	<b>968</b>	<b>33,639</b>	<b>34,607</b>
<b>Transactions with owners, recognised directly in equity</b>				
Contributions by and distributions to owners:				
- share-based payments	-	-	148	148
- dividends	-	-	(13,658)	(13,658)
<b>Total contributions by and distributions to owners</b>	-	-	<b>(13,510)</b>	<b>(13,510)</b>
At 30 June 2012	87,552	33,067	212,332	332,951

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**Statements of Cash Flows for the period 1 January 2013 to 30 June 2013**

	<i>Group</i>		<i>Bank</i>	
	<b>6 mths to 30/06/13 €000</b>	6 mths to 30/06/12 €000	<b>6 mths to 30/06/13 €000</b>	6 mths to 30/06/12 €000
<b>Cash flows from operating activities</b>				
Interest, commission and premium receipts	<b>130,984</b>	132,959	<b>92,030</b>	94,950
Interest, commission and claims payments	<b>(45,098)</b>	(45,329)	<b>(18,729)</b>	(20,801)
Payments to employees and suppliers	<b>(43,099)</b>	(45,106)	<b>(40,941)</b>	(41,819)
Operating profit before changes in operating assets/liabilities	<b>42,787</b>	42,524	<b>32,360</b>	32,330
(Increase)/decrease in operating assets:				
Financial assets designated at fair value	<b>(1,385)</b>	(13,536)	-	-
Reserve deposit with Central Bank of Malta	<b>637</b>	44,668	<b>637</b>	44,668
Loans and advances to customers and banks	<b>14,484</b>	(45,435)	<b>14,484</b>	(45,435)
Treasury Bills	<b>(5,380)</b>	74,079	<b>(989)</b>	74,079
Other receivables	<b>(8,643)</b>	(17,288)	<b>(4,614)</b>	(7,244)
(Decrease)/increase in operating liabilities:				
Customer accounts and deposits by banks	<b>(66,317)</b>	250,688	<b>(61,242)</b>	248,591
Other payables	<b>3,473</b>	7,567	<b>(253)</b>	(280)
Net cash (used in)/ from operating activities before tax	<b>(20,344)</b>	343,267	<b>(19,617)</b>	346,709
Tax paid	<b>(5,901)</b>	(6,509)	<b>(4,369)</b>	(5,601)
Net cash (used in)/from operating activities	<b>(26,245)</b>	336,758	<b>(23,986)</b>	341,108
<b>Cash flows from investing activities</b>				
Dividends received	<b>367</b>	327	<b>5,000</b>	5,000
Interest received from financial investments	<b>15,685</b>	21,754	<b>13,509</b>	15,376
Purchase of financial investments	<b>(375,666)</b>	(259,937)	<b>(373,631)</b>	(259,937)
Proceeds from sale and maturity of financial investments	<b>365,251</b>	228,649	<b>361,442</b>	223,263
Purchase of property, plant and equipment and intangible assets	<b>(616)</b>	(2,431)	<b>(576)</b>	(2,399)
Proceeds on sale of property, plant and equipment and intangible assets	-	21	-	21
Net cash from/(used in) investing activities	<b>5,021</b>	(11,617)	<b>5,744</b>	(18,676)
<b>Cash flows from financing activities</b>				
Dividends paid	<b>(14,986)</b>	(13,658)	<b>(14,986)</b>	(13,658)
Cash used in financing activities	<b>(14,986)</b>	(13,658)	<b>(14,986)</b>	(13,658)
<b>(Decrease)/increase in cash and cash equivalents</b>	<b>(36,210)</b>	311,483	<b>(33,228)</b>	308,774
Effect of exchange rate changes on cash and cash equivalents	<b>(7,282)</b>	21,704	<b>(7,281)</b>	22,029
Net (decrease)/increase in cash and cash equivalents	<b>(28,928)</b>	289,779	<b>(25,947)</b>	286,745
<b>(36,210)</b>	311,483	<b>(33,228)</b>	308,774	
Cash and cash equivalents at beginning of period	<b>428,661</b>	207,764	<b>426,073</b>	207,709
<b>Cash and cash equivalents at end of period</b>	<b>392,451</b>	519,247	<b>392,845</b>	516,483

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HSBC Bank Malta p.l.c. Half-Yearly Results for 2013/11

Segmental analysis

a) Class of business

The group's segments are organised into three global businesses: Retail Banking and Wealth Management, Commercial Banking and Global Banking and Markets. The global businesses reflect the way the CEO, as chief operating decision-maker, reviews financial information in order to make decisions about allocating resources and assessing performance. Information provided to the chief operating decision-maker is measured in accordance with IFRSs as adopted by the EU.

	<i>Retail Banking and Wealth Management</i>		<i>Commercial Banking</i>		<i>Global Banking and Markets</i>		<i>Inter-segment</i>		<i>Group Total</i>	
	<b>6 mths to 30/06/13</b>	6 mths to 30/06/12	<b>6 mths to 30/06/13</b>	6 mths to 30/06/12	<b>6 mths to 30/06/13</b>	6 mths to 30/06/12	<b>6 mths to 30/06/13</b>	6 mths to 30/06/12	<b>6 mths to 30/06/13</b>	6 mths to 30/06/12
	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000
<i>Group</i>										
Net interest income										
- External	<b>21,512</b>	22,357	<b>33,940</b>	34,875	<b>8,055</b>	10,399	-	-	<b>63,507</b>	67,631
- Inter-segment	<b>8,358</b>	8,335	<b>(9,291)</b>	(6,326)	<b>933</b>	(2,009)	-	-	-	-
	<b>29,870</b>	30,692	<b>24,649</b>	28,549	<b>8,988</b>	8,390	-	-	<b>63,507</b>	67,631
Net non-interest income										
- External	<b>19,621</b>	18,113	<b>7,392</b>	6,664	<b>8,062</b>	6,707	-	-	<b>35,075</b>	31,484
- Inter-segment	<b>(548)</b>	(565)	<b>453</b>	484	<b>423</b>	465	<b>(328)</b>	(384)	-	-
	<b>19,073</b>	17,548	<b>7,845</b>	7,148	<b>8,485</b>	7,172	<b>(328)</b>	(384)	<b>35,075</b>	31,484
External employee compensation and benefits										
- External	<b>(15,971)</b>	(16,735)	<b>(6,164)</b>	(6,377)	<b>(1,900)</b>	(1,895)	-	-	<b>(24,035)</b>	(25,007)
General and administrative expenses										
- External	<b>(13,078)</b>	(11,808)	<b>(3,993)</b>	(3,944)	<b>(980)</b>	(861)	-	-	<b>(18,051)</b>	(16,613)
- Inter-segment	<b>(328)</b>	(384)	-	-	-	-	<b>328</b>	384	-	-
	<b>(13,406)</b>	(12,192)	<b>(3,993)</b>	(3,944)	<b>(980)</b>	(861)	<b>328</b>	384	<b>(18,051)</b>	(16,613)
External depreciation										
	<b>(1,368)</b>	(1,705)	<b>(312)</b>	(358)	<b>(53)</b>	(81)	-	-	<b>(1,734)</b>	(2,144)
External amortisation										
	<b>(954)</b>	(802)	<b>(430)</b>	(355)	<b>(45)</b>	(39)	-	-	<b>(1,428)</b>	(1,196)
External net impairment										
	<b>(423)</b>	(699)	<b>(28)</b>	(107)	<b>100</b>	(20)	-	-	<b>(351)</b>	(826)
External net provisions for liabilities and other recoveries										
	-	-	<b>52</b>	-	-	-	-	-	<b>52</b>	-
<b>Profit before tax</b>	<b>16,821</b>	16,107	<b>21,619</b>	24,556	<b>14,595</b>	12,666	-	-	<b>53,035</b>	53,329

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HSBC Bank Malta p.l.c. Half-Yearly Results for 2013/12

Segmental analysis (continued)

	<i>Retail Banking and Wealth Management</i>		<i>Commercial Banking</i>		<i>Global Banking and Markets</i>		<i>Inter-segment</i>		<i>Group Total</i>	
	<b>30/06/13</b>	31/12/12	<b>30/06/13</b>	31/12/12	<b>30/06/13</b>	31/12/12	<b>30/06/13</b>	31/12/12	<b>30/06/13</b>	31/12/12
	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000
<b>Total assets</b>										
Segment total assets										
	<b>2,584,370</b>	2,535,765	<b>1,572,310</b>	1,624,874	<b>1,591,190</b>	1,725,835			<b>5,747,870</b>	5,886,474
Average total assets										
	<b>2,590,067</b>	2,511,192	<b>1,568,592</b>	1,627,247	<b>1,658,513</b>	1,717,219			<b>5,817,172</b>	5,855,658
<b>Total equity</b>										
	<b>203,734</b>	197,198	<b>186,771</b>	177,737	<b>31,135</b>	25,663	-	-	<b>421,640</b>	400,598

b) *Geographical segments*

The group's activities are carried out within Malta. There are no identifiable geographical segments or other material concentrations.

c) *Products and services*

The group provides a comprehensive range of banking and related financial services to its customers. The products and services offered to customers are organised by global businesses.

– Retail Banking and Wealth Management ('RBWM') offers a broad range of products and services to meet the personal banking, consumer finance and wealth management needs of individual customers. Typically, customer offerings include personal banking products (current and savings accounts, mortgages and personal loans, credit cards, debit cards and local and international payment services) and wealth management services (insurance and investment products, global asset management services and financial planning services).

– Commercial Banking ('CMB') product offerings include the provision of receivables financing services, payments and cash management, international trade finance, commercial cards, insurance, cash and derivatives in foreign exchange and interest rates, and online and direct banking offerings.

– Global Banking and Markets ('GB&M') provides tailored solutions to corporate and institutional clients. The client-focused business lines deliver a full range of banking capabilities including financing, advisory and transaction services; a markets business that provides services in rates, foreign exchange, money markets and securities services; and principal investment activities.

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## **Basis of preparation**

*The condensed interim financial statements have been extracted from HSBC Bank Malta p.l.c.'s (the 'bank') and its subsidiary undertakings (collectively referred to as the 'group') unaudited management accounts for the six month period ended 30 June 2013. These condensed interim financial statements are being published in terms of Chapter 5 of the Listing Rules issued by the Listing Authority and in terms of the Prevention of Financial Markets Abuse Act, 2005.*

*The condensed interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting, adopted by the EU. They do not include all the information required for a complete set of annual financial statements, and should be read in conjunction with the financial statements for the year ended 31 December 2012.*

*The accounting policies applied in these condensed interim financial statements are the same as those applied by the group in its financial statements as at and for the year ended 31 December 2012.*

*As required by IAS 34, Interim Financial Reporting, adopted by the EU, these interim financial statements include comparative statements of financial position information at the previous financial year end and comparative income statements and statements of comprehensive income information for the comparable interim periods of the immediately preceding financial year.*

*Related party transactions with other members of the HSBC Group covering the period 1 January to 30 June 2013 have not materially affected the performance for the period under review.*

*Certain comparative amounts have been reclassified to comply with the current period's presentation.*

*HSBC Bank Malta p.l.c. is a member of the HSBC Group, whose ultimate parent company is HSBC Holdings plc. HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. The Group serves customers worldwide from around 6,600 offices in 80 countries and territories in Europe, Hong Kong, Rest of Asia-Pacific, North and Latin America, and the Middle East and North Africa. With assets of US\$2,645bn at 30 June 2013, the HSBC Group is one of the world's largest banking and financial services organisations.*

## **Statement pursuant to Listing Rule 5.75.3 issued by the Listing Authority**

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I confirm that to the best of my knowledge:

- the condensed interim financial statements give a true and fair view of the financial position as at 30 June 2013, financial performance and cash flows for the period then ended, in accordance with IAS 34 Interim Financial Reporting, adopted by the EU; and
- the commentary includes a fair review of the information required in terms of Listing Rule 5.81 to 5.84.

Mark Watkinson, *Chief Executive Officer*

*ends/all*