



## *COMPANY ANNOUNCEMENT*

The following is a Company Announcement by HSBC Bank Malta p.l.c. pursuant to Malta Financial Services Authority Listing Rules:

*Quote:*

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

During the period 1 July 2013 to 18 November 2013 HSBC Malta reported a modest decline in profit before tax compared with the comparable period in 2012. The current period profit was impacted by a narrowing in interest margin earned in the low interest rate environment and a lower contribution from the life insurance business which in 2012 benefitted from the rally in the investment markets.

Operating expenses for the period were lower than for the comparable period in 2012 primarily as a result of the non-recurrence of restructuring costs accounted for in the prior year. Underlying costs, excluding restructuring costs, were well controlled and in line with the comparable period in 2012 as the savings achieved through the 2012 organisational effectiveness programme were offset by higher levels of regulatory and governance costs.

In challenging market conditions, demand for personal and commercial loans was muted however there are tentative indications of increases in customer activity in both these business lines. Customer deposit levels remained broadly unchanged during this period despite the ongoing competitive pressures for deposits.

Despite the regional economic uncertainties, loan impairments have remained below expectations and were broadly in line with the comparable period in 2012. HSBC Malta's available-for-sale portfolio remains well diversified and conservatively positioned. HSBC Malta has maintained a strong liquidity and capital position.

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

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*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.*

Mark Watkinson, Director and Chief Executive Officer of HSBC Malta, said: “The European market remains very difficult and the low interest rate environment presents its own set of challenges for an organisation such as ours. Nevertheless, locally, GDP continues to show modest growth of approximately 1.5% and there are pockets of attractive opportunities globally, particularly in the Asia-Pacific region. Our aim remains to generate a resilient performance, focus on the long-term sustainability of our business and to leverage the HSBC global network to present opportunities for both our customers and for Malta as a whole.”

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**Notes to editors:**

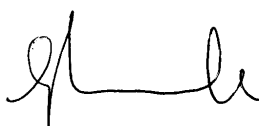
**1. Basis of preparation**

This statement is based on the unaudited management accounts of HSBC Bank Malta p.l.c. up to 30 September 2013 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 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\$2,723bn at 30 September 2013, the HSBC Group is one of the world’s largest banking and financial services organisations.

*Unquote*



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

**18 November 2013**