



## **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**

*HSBC Bank Malta p.l.c. (HSBC Malta) is required to publish the following Interim Directors' Statement covering the period from 1 July 2014 to 14 November 2014 (the date of the Statement) under Listing Rules 5.86 and 5.88 of the Malta Financial Services Authority.*

During the period 1 July to 14 November, HSBC Bank Malta reported a decline in profit before tax compared with the same period in 2013.

Revenue in the current period was impacted by lower net interest income as a result of the prevailing eurozone interest rate environment, adverse market movements in the yield curve affecting the insurance business and lower one-off items relating to recoveries, bond sales and insurance.

Operating expenses for the period were higher than the same period in 2013, primarily due to an increase in the cost of compliance and regulation. Excluding these items, expenses have been well controlled and are marginally below the same period in 2013. Significant work continues around process re-engineering and driving greater efficiencies in the business.

Loans and advances to customers remain broadly unchanged as new lending was offset by early repayments in the low interest rate environment. Customer deposits increased during the period.

Loan impairments were higher than in the same period in 2013 as a result of lower valuations on properties acting as security and reduced levels of recoveries.

**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.*

The European Central Bank (ECB) has published the results of the Comprehensive Assessment exercise undertaken on 130 banks located in 19 member states participating in the Single Supervisory Mechanism (SSM). The results identified no capital shortfalls in HSBC Bank Malta, both in the base line and adverse scenarios. HSBC Bank Malta remains well capitalised and liquid.

Mark Watkinson, Chief Executive Officer and Director of HSBC Bank Malta, said: “The operating environment in the eurozone continues to be very challenging with record low interest rates and modest economic growth. However HSBC Bank Malta’s successful completion of the ECB Comprehensive Assessment shows that the business is well positioned to support the local market in Malta as it continues to grow.”

**Media enquiries to Franco Aloisio on +356 2380 3250.**

**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 2014 and other financial information.

**2. HSBC Holdings plc**

HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. The Group serves customers worldwide from over 6,200 offices in 74 countries and territories in Europe, Asia, North and Latin America, and the Middle East and North Africa. With assets of US\$2,729bn at 30 September 2014, HSBC is one of the world’s largest banking and financial services organisations.

*Unquote*



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

**14 November 2014**