



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 January 2015 to 15 May 2015 (the date of the Statement) under Listing Rules 5.86 and 5.88 of the Malta Financial Services Authority.

During the period 1 January 2015 to 15 May 2015, economic and market conditions remained very challenging, characterised by record low interest rates with the European Central Bank launching a quantitative easing programme in January 2015. Against this backdrop, HSBC Malta delivered a profit before tax that was in line with same period in 2014.

Total revenues were higher compared to the same period in 2014, despite a decrease in interest income from lending. The increase was driven by a growth in insurance and trading income and a fall in the cost of funding.

Operating expenses for the period were higher compared to the same period in 2014 as a result of continued investment in risk and compliance staff and the impact of currency changes on the cost of offshored services.

Loan impairments were marginally higher than the same period last year. In view of the current challenging environment, the Bank continues to maintain a cautious approach to provisions.

Mark Watkinson, Director and Chief Executive Officer of HSBC Malta, said: "Operating conditions remain difficult but the underlying performance of the three main business segments – retail banking and wealth management, commercial banking and global banking and markets – has been positive in the first quarter. Activity levels remain good, particularly with respect to mortgages. The Bank is focussed on building its local franchise and leveraging the opportunities that arise as Malta becomes increasingly globally connected both by way of inward investment and as companies in Malta seek to expand internationally."

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.*

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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 31 March 2015 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 6,100 offices in 73 countries and territories in Europe, Asia, North and Latin America, and the Middle East and North Africa. With assets of US\$2,670bn at 31 March 2015, HSBC is one of the world's largest banking and financial services organisations.

Unquote



Dr George Brancalone LL.D.
Company Secretary

15 May 2015