



## ***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 2015 to 19 November 2015 (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 19 November, HSBC Malta reported a modest decline in profit before tax compared with the same period in 2014. This decline was primarily attributable to higher costs and a lower contribution from the life insurance business.

Revenue for the period was higher than in the prior period as a result of higher net interest and fee income. Net interest income was impacted by the prevailing eurozone interest rate environment - decreasing margins on loans and investments were offset by lower interest expense driven by customers' continued preference for shorter-dated deposits as well as the reduction in deposit rates.

Operating expenses for the period were higher than for the same period in 2014, primarily due to continued investment in compliance, increases in regulatory costs, and the impact of currency changes on the cost of HSBC Group services. Excluding these items, expenses remain well controlled and are in line with the same period in 2014. Given the challenging market and operating environment, HSBC Malta will be focusing on improving its

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

Company Secretary, Head Office, 116, Archbishop Street, Valletta VLT1444

Tel: (+356) 25972404 25972405

*Registered in Malta number C3177. Registered Office: 116, Archbishop Street, Valletta VLT 1444, Malta  
HSBC Bank Malta plc is regulated and licensed to conduct investment services business by the Malta Financial Services Authority.  
Listed on and is a Member of the Malta Stock Exchange.*

productivity and cost effectiveness to ensure a better service to customers by continuing to streamline its operations while investing in areas of growth and in compliance.

Loan impairment charges were broadly in line with the same period in 2014.

Loans and advances to customers slightly increased during the period primarily as a result of increases in home loans. Corporate and business lending remained broadly unchanged compared to the end of 2014 as the amount of new loans granted was offset by early repayments in the low interest rate environment. Customer deposits continued to increase during the period. HSBC Malta maintains a strong liquidity and capital position.

Andrew Beane, the Chief Executive Officer of HSBC Malta, said: “The operating environment in the eurozone continues to be very challenging with record low interest rates and modest economic growth. However, the local economy is doing well with encouraging rates of growth. The bank has made good progress under our new regulatory regime and I am encouraged by the strong platform this provides for us to grow the business and create value for shareholders. HSBC Malta remains well positioned to support the local economy and our priorities are to improve the service we provide to customers, to manage our costs, and to operate to the highest global standards of compliance.”

**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 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 around 6,100 offices in 72 countries and territories in Asia, Europe, North and Latin America, and the Middle East and North Africa. With assets of US\$2,549bn at 30 September 2015, HSBC is one of the world’s largest banking and financial services organisations.

*Unquote*



**Dr George Brancalone LL.D.**  
**Company Secretary**  
**19 November 2015**