



COMPANY ANNOUNCEMENT

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

Quote

HSBC Bank Malta p.l.c. (“the Company”) announces that HSBC Life Assurance (Malta) Limited (“HLA”), a wholly-owned subsidiary of the Company, has today entered into a Portfolio Transfer Agreement with Lombard International Assurance S.A. (“LIA”) for the sale of HLA’s policies of insurance governed by the Wealth Insurance Italy portfolio. This insurance portfolio forms part of a larger portfolio which was acquired in 2014 for nil consideration and is being sold for €1. The transaction is expected to be completed in the last quarter of 2018, subject to regulatory approvals and any other approvals which are necessary in terms of local insurance rules/legislation. The terms and conditions of the transfer are in accordance with the procedure outlined in Part VIII (*Transfer of Insurance Business*) of the Insurance Business Act (Chapter 403 of the Laws of Malta).

LIA is a company incorporated under the laws of Grand Duchy of Luxembourg and registered with the Luxembourg trade and companies register (*register de commerce et des societees de Luxembourg*) with the number B 37604, and is authorised by the Commissariat aux Assurances to issue life insurance unit-linked policies dedicated to high net worth individuals and ultra-high net worth individuals in Classes I, II, III, VI and VII (as described in Annex II of Directive 2009/138/EC). This portfolio is in run-off and does not form part of HLA’s core business. The transfer will enable increased focus on the domestic insurance market which is HLA’s strategic priority.

As at 30 September 2017, the insurance portfolio being transferred had total funds under management of circa €500m and produced gross annual management charges of approximately €780,000 in 2016.

The transfer process will be managed by HLA’s CEO Stuart Fairbairn.

About HSBC Life Assurance (Malta) Ltd

HSBC Life Assurance (Malta) Ltd. is a fully owned subsidiary of HSBC Bank Malta p.l.c., which is a member of the HSBC Group, whose ultimate parent company is HSBC Holdings plc, headquartered in London. The HSBC Group serves customers worldwide from around 3,900 offices in 67 countries and territories in Europe, Asia, North and Latin America, and the Middle East and North Africa. With assets of US\$2,492bn at 30 June 2017, HSBC is one of the world’s largest financial services organisations.

About Lombard International Assurance


Lombard International Assurance is a leading life insurance-based wealth solutions provider, combining the strength and expertise of two specialist life insurance companies with over 25 years' experience and market leadership in their respective fields. Lombard International Assurance provides wealth structuring solutions using unit-linked life insurance to high net worth individuals, their families and institutions around the globe.

The global group, branded as Lombard International, launched to market in September 2015. With head offices located in Luxembourg and Philadelphia, a combined global presence enables Lombard International to serve clients' complex needs on a global basis while being sensitive to local cultures and attitudes. The firm is an industry leader in providing multi-jurisdictional wealth planning solutions through its partner networks across the United States, Europe and Latin America.

Global assets under administration are in excess of €77.5bn (at 31 December 2016) with a global staff number of over 600, including more than 60 technical experts specialising in 20+ jurisdictions.

Funds managed by Blackstone own Lombard International. Blackstone is one of the world's leading investment firms with over US\$367bn in assets under management (at 31 December 2016).

Unquote



Dr. George Brancalone LL.D.
Company Secretary
9 November 2017

HSBC Bank Malta p.l.c.

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