



2 April 2020

COMPANY ANNOUNCEMENT

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

Quote:

Reference is made to Company Announcement HSBC354 issued on 18 March 2020 by HSBC Bank Malta p.l.c. (the 'bank') which outlined the bank's position on the payment of the final dividend of 2019. Subsequent to that announcement, the European Central Bank (ECB) issued a Recommendation on dividend distributions during COVID-19.

That Recommendation requires all Eurozone banks not to make dividend payments at this time, irrespective of the strength of their own capital positions. This is to ensure that the banking system as a whole deploys capital in support of the economy.

The bank's Board met to discuss these requirements and concluded that the bank is obliged to delay the payment of all dividends. This applies to the final dividend of 2019 already announced, and to potential future dividends.

The bank has sufficient capital to support the previously announced dividend payment of 2019. When it is appropriate to do so, but not before the fourth quarter of this year, the Board will re-examine the situation and will update the market accordingly.

The Board regrets the short-term impact this policy requirement will have on shareholders, but recognises the important role the bank plays to support the economy and the need for a consistent regulatory policy across the Eurozone.

The bank is committed to taking all necessary steps to support the country and has announced multiple initiatives to support local businesses and consumers.

Unquote

A handwritten signature in black ink, appearing to read "Dr George Brancalone".

Dr George Brancalone LL.D.
Company Secretary