



21 May 2021

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.

HSBC BANK MALTA p.l.c. INTERIM DIRECTORS' STATEMENT

Quote:

HSBC Bank Malta p.l.c. (the 'bank') had a good start to the year mainly driven by positive market movements in the insurance business and lower expected credit losses ('ECL') when compared to Q1 2020. Reported profit before tax for Q1 2021 amounted to €9.9m, which represents an increase of €16.8m compared to the loss incurred in the same period last year of €6.9m.

Revenues were €12m higher when compared to Q1 2020. The increase in revenue is attributable to positive market impacts in the insurance manufacturing business resulting in higher insurance revenues of €13.8m. The bank experienced a decrease in net interest income as a result of lower interest rates and subdued demand for lending as a result of the Covid-19 pandemic.

ECL were broadly maintained at the levels booked at 31 December 2020.

Operating expenses were €0.6m higher than those reported in Q1 2020. Cost savings realised through the continued implementation of the restructuring strategy announced in 2019 were offset by higher deposit compensation scheme charges as a result of increased deposits held at 31 December 2020.

Compared to 31 December 2020, net loans and advances to customers increased marginally by €7m driven by increases in corporate as well as retail loans. Customer deposits increased by €27m compared to 31 December 2020. The bank's liquidity position remained strong and regulatory capital ratios continued to exceed regulatory capital requirements.

Simon Vaughan Johnson, Chief Executive Officer of HSBC Bank Malta p.l.c., said: "Whilst we have seen an improvement in Q1 2021 results, mainly as a result of positive market movements and improved economic outlook, there remains a high degree of uncertainty as the country emerges from the pandemic. The continued economic uncertainty from the Covid-19 outbreak could adversely impact our growth during the year.

As announced recently, we have opened our largest branch at 80 Mill Street, Qormi this month. The branch has been designed to provide customers with flexibility and convenience, offering the advantage of unrivalled opening hours until 7pm on weekdays, as well as the convenience of over 20 onsite parking spaces including two charging bays for electric vehicles. This is also one of the first branches in the HSBC Group to have the Group's new "look and feel" branch branding."

Unquote

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

Dr George Brancalone LL.D.
Company Secretary

This Company Announcement is issued by
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Registered in Malta number C3177.
Registered Office: 116, Archbishop Street, Valletta VLT 1444, Malta.
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Listed on and is a Member of the Malta Stock Exchange.