



27 January 2023

COMPANY ANNOUNCEMENT

The following is a Company Announcement by HSBC Bank Malta p.l.c. in compliance with the Capital Markets Rules issued by the Malta Financial Services Authority.

Quote

HSBC Bank Malta p.l.c. (the 'Bank') announces that further to Company Announcement HSBC 392 published on 16 December 2021, the Bank has today entered into a €30 million loan agreement with HSBC Continental Europe (the "Loan"). The purpose of the Loan is to enable the Bank to meet the minimum requirement for own funds and eligible liabilities ("MREL") in terms of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms, as amended from time to time (including as amended by Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019) (the "BRRD").

The Loan, which is unsecured, is for a period of 4 years with an option of early repayment as from the 3rd year subject to the terms and conditions of the Loan Agreement and applicable laws and regulations. The Loan bears interest at a rate equal to 3-months EURIBOR plus a margin of 127 basis points (currently resulting in an effective rate of 3.77 %). The Loan is designated and constituted as a lower ranking liability as referred to in regulation 108(4) of the Recovery and Resolution Regulations (Subsidiary Legislation 330.09).

The Loan further strengthens the Bank's capital position and supports its compliance with the MREL target as set by the Single Resolution Board.

Unquote

A handwritten signature in blue ink, appearing to read "Paula Mamo", written over a horizontal line.

Dr Paula Mamo LL.D.
Company Secretary