



30 October 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.

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

#### **Quote:**

HSBC Bank Malta p.l.c. (the 'bank') delivered strong results for the nine-month period ended 30 September 2023. Reported profit before tax was €100.8m, an increase of €67.9m compared to the €32.9m profits reported in the same period last year, following IFRS 17 restatement. The increase in profitability is mainly attributable to strong interest income, improved credit quality of the loan book and continued focus on cost management, while continuing to invest in the future of our business.

Revenues were up €64.2m or 60% when compared to those reported in the nine-month period ended 30 September 2022. The increase in revenue was mainly driven by higher net interest income due to interest rate rises, reflecting the strength and diversification of our customer base.

We recorded an improvement in the credit quality of our loan book, resulting in a release of expected credit losses ('ECL') of €3.7m compared to a release of €10.0m in Q3 2022. The Q3 2023 release reflected the upgrade of facilities which were granted moratoria during the COVID-19 pandemic and a general improvement in the Maltese economy. The release reported in Q3 2022 was mainly attributable to a significant recovery on a specific commercial non-performing loan which was largely provided for in prior years.

Costs were €10.0m lower than the same period in 2022. This decrease was largely driven by higher regulatory fees booked in Q3 2022 as a result of a change in the legislation regulating cash contributions towards the Depositor Compensation Scheme, restructuring provisions booked in 2022 and an insurance refund received in 2023. We continue to invest in our people, technology and our property which are key to enhancing our capabilities to better serve customers and building the bank of the future.

We continue to lend responsibly. Net loans and advances to customers and customer deposits remained broadly in line with 31 December 2022 levels. The bank's liquidity position remained strong and regulatory capital ratios continued to exceed regulatory capital requirements.

On 15 September 2023, we paid the highest interim cash dividend in seven years to our 9,005 shareholders. We manage the bank for long-term value creation while recognising the importance of paying dividends to our shareholders.

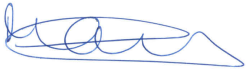
Geoffrey Fichte, Chief Executive Officer of HSBC Bank Malta p.l.c., said: "Our record Q3 results reflect the strength of our business and confidence of our customers in a volatile world. These results demonstrate that our turnaround strategy is working. Our robust risk management is protecting and supporting customers while delivering value for

This Company Announcement is issued by  
**HSBC Bank Malta p.l.c.**  
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HSBC Bank Malta p.l.c.  
Registered in Malta number C3177.  
Registered Office: 116, Archbishop Street, Valletta VLT 1444, Malta.  
HSBC Bank Malta p.l.c. authorised by the Malta Financial Services Authority to provide investment services under the Investment Services Act 1994.  
HSBC Bank Malta p.l.c. is enrolled as a tied insurance intermediary for HSBC Life Assurance (Malta) Ltd under the Insurance Distribution Act (Cap. 487 of the Laws of Malta)

shareholders. We are positive on Malta and continue to invest to improve customer experience. I would like to thank the HSBC team for the strong performance and our customers for their business”.

***Unquote***

A handwritten signature in blue ink, appearing to read 'Paula Mamo', with a horizontal line underneath.

Dr Paula Mamo LL.D.  
Company Secretary