



29 April 2025

## COMPANY ANNOUNCEMENT

The following is a Company Announcement issued by HSBC Bank Malta p.l.c. ("the Bank") pursuant to the Capital Markets Rules of the Malta Financial Services Authority.

### INTERIM DIRECTORS' STATEMENT

#### **Quote:**

HSBC Bank Malta p.l.c. reported profit before tax of €27.9m for the first quarter of 2025, representing a 29% decrease compared to the same period last year. This decrease in profits was primarily attributable to changes in the interest rate environment. Despite this, the Bank achieved growth in other income streams, while continued investments in people and technology led to an increase in expenses.

Revenue decreased by €6.7m or 10% when compared to Q1 2024. This was largely driven by lower net interest income of €8.6m as the prevailing average interest rates in Q1 2025 were lower than Q1 2024. The Bank reported growth across all other income lines, including net fee income, foreign exchange and insurance income. The increase in all other income lines amounted to €1.9m.

The Bank reported expected credit losses ("ECL") of €0.6m compared to a release of €1.8m in Q1 2024. The net ECL charge reflected the increased global uncertainty and geo-political risks. Nevertheless, we remain confident in Malta's resilience, diversified economy and economic strength.

Costs increased by €2.3m, equivalent to 8%, compared to the same period last year. The increase in costs is primarily driven by higher salaries and employee benefits as well as higher technology spend. These costs underscore the Bank's continued investment in people and technology.

Net loans and advances to customers as well as customer deposits remained broadly in line with Q4 2024 levels.

The Bank's liquidity position remained strong and regulatory capital ratios continued to exceed regulatory capital requirements.

Geoffrey Fichte, Chief Executive Officer of HSBC Bank Malta p.l.c., said:

"HSBC Bank Malta p.l.c. reported sizeable profits in Q1 2025, despite the various anticipated European Central Bank ("ECB") rate cuts which started in June 2024 and are expected to continue. We are investing in people and technology, aimed at improving our customer service and achieving sustainable returns for all our shareholders.

"I would like to thank our customers for their business and my colleagues for their patience and resilience as we progress through the strategic review process as first announced on 11 September 2024. We remain open for business and committed to providing enhanced customer service and high standards to support growth in the Maltese market."

**Unquote**

Dr Paula Mamo LL.D.  
Company Secretary

This Company Announcement is issued by  
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HSBC Bank Malta p.l.c.  
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Registered Office: 116, Archbishop Street, Valletta VLT 1444, Malta.  
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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)