



COMPANY ANNOUNCEMENT

The following is a Company Announcement by HSBC Bank Malta p.l.c. pursuant to Malta Stock Exchange Bye-Laws 6.05.04(iii) and 6.05.06 (iii):

Quote

The Board of Directors of HSBC Bank Malta p.l.c. approved the attached Preliminary Profit Statement for the financial year ended 31 December 1999.

Unquote

A handwritten signature in black ink, appearing to read "Philip Farrugia Randon".

**Dr. Philip Farrugia Randon LL.D.
Company Secretary**

8 February 2000

HSBC Bank Malta p.l.c.
Legal & Compliance Office, Head Office, 168, Strait Street, Valletta VLT 08
Tel: (+356) 234928, 233349 Fax: (+356) 242014, 226889

Registered in Malta number C.1177. Registered Office: 333 Republic Street, Valletta VLT 05
Regulated by the Central Bank of Malta, The Malta Financial Services Centre and the Malta Stock Exchange.
Licensed to conduct Investment Services business by the Malta Financial Services Centre.

HSBC Bank Malta p.l.c. Preliminary Profit Statement for the period ended 31 December 1999

(Published in terms of Section 6.05.05 (iii) of the Bye Laws of the Malta Stock Exchange)

| | Group | | Bank | |
|--|------------------------|-----------------------|------------------------|-----------------------|
| | 15 mths to 31/12/99 | 12 mths to 30/9/98 | 15 mths to 31/12/99 | 12 mths to 30/9/98 |
| | Lm000 | Lm000 | Lm000 | Lm000 |
| Interest receivable and similar income | 101,449 | 77,414 | 94,449 | 72,699 |
| Interest payable | (66,143) | (49,544) | (65,581) | (49,786) |
| Net interest income | 35,306 | 27,870 | 28,868 | 22,913 |
| Other net operating income | 18,793 | 9,852 | 17,079 | 10,000 |
| Total operating income | 54,099 | 37,722 | 45,947 | 32,913 |
| Operating expenses | (30,889) | (21,219) | (28,666) | (19,590) |
| Net charge for bad and doubtful debts | (6,741) | (2,138) | (6,756) | (1,912) |
| Share of profits of associated companies | 278 | 248 | - | - |
| Profit on ordinary activities before tax | 16,747 | 14,613 | 10,525 | 11,411 |
| Tax on profit on ordinary activities | (2,692) | (3,245) | (1,966) | (2,747) |
| Special tax on profit at 15% | - | (1,476) | - | (1,476) |
| Profit on ordinary activities after tax | 14,055 | 9,892 | 8,559 | 7,188 |
| Profit attributable to minority interests | (243) | (315) | - | - |
| Profit for the financial period/year attributable to shareholders | 13,812 | 9,577 | 8,559 | 7,188 |
| Net transfer to other reserve | - | (222) | - | - |
| Dividends, net of income tax | (2,608) | (2,134) | (2,608) | (2,134) |
| Retained profit for the period/year | 11,204 | 7,221 | 5,951 | 5,054 |
| | | | | |
| Earnings per share (excluding special tax) | 37.9c | 30.3c | 23.5c | 23.8c |
| Earnings per share (including special tax) | | 26.3c | | 19.7c |

Balance sheet extracts as at

| | 31/12/99 | 30/9/98 | 31/12/99 | 30/9/98 |
|---------------------------------|----------|---------|----------|---------|
| <i>Figures in Lm millions</i> | | | | |
| Total assets | 1,342 | 1,220 | 1,305 | 1,183 |
| Loans and advances to customers | 817 | 753 | 707 | 646 |
| Amounts owed to customers | 1,147 | 1,025 | 1,028 | 927 |
| Shareholders' funds | 84 | 69 | 83 | 70 |

Review of group performance

- The published figures have been extracted from HSBC Bank Malta p.l.c.'s (previously Mid-Med Bank p.l.c.) audited accounts for the 15-month period ended 31 December 1999 as approved by the Board of Directors on 8 February 2000. Comparative figures refer to the 12-month period to 30 September 1998.
- HSBC Bank Malta registered a profit before tax of Lm16,747 million for the 15-month period ended 31 December 1999 (12-month period ended 30 September 1998: Lm14,613 million).
- Profit after tax attributable to shareholders is registered at Lm13,812 million (1998: Lm9,577 million).
- The net charge for bad and doubtful debts was Lm6,741 million, which was Lm4,603 million higher than 1998, reflecting a revised assessment of asset quality in the loan book.
- Total assets increased by 10 per cent to reach Lm1,342 million (1998: Lm1,220 million). Loans and advances to customers, net of provisions, are reported at Lm817 million (1998: Lm753 million). Amounts owed to customers were Lm1,147 million, an increase of Lm122 million over the 1998 position of Lm1,025 million.
- A revaluation of the group's property was carried out in December 1999. This increased shareholders' funds by Lm1,696 million.
- The group net asset value per share as at 31 December 1999 is Lm2.30 (30 September 1998: Lm1.89).
- Earnings per share for the group is 37.9 cents (1998: 30.3 cents).
- A final gross dividend of 2 cents per share is being proposed by the Board of Directors, taking overall gross dividend for the 15-month period to 11 cents per share (1998: 9 cents).
- The group's solvency ratio which is computed in accordance with the Banking Directive on the Solvency Ratio of Credit Institutions issued by the Central Bank of Malta in terms of the Banking Act, 1994 is 14.53 per cent (1998: 15.21 per cent).

The dividend, which will be approved at the next Annual General Meeting, will be paid to shareholders who are registered on the Register of Members of the company on 12 February 2000.

HSBC

YOUR WORLD OF FINANCIAL SERVICES