



COMPANY ANNOUNCEMENT

The following is a Company Announcement by HSBC Bank Malta p.l.c. pursuant to Malta Stock Exchange Bye-Law 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 2000.

Unquote

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

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

12 February 2001

HSBC Bank Malta p.l.c.
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Registered in Malta number C3177. Registered Office: 253 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 year ended 31 December 2000

(Published in terms of Section 6.05.06 (iii) of the Bye Laws of the Malta Stock Exchange)

	Group		Bank	
	12 mths to 31/12/00	15 mths to 31/12/99	12 mths to 31/12/00	15 mths to 31/12/99
	Lm000	Lm000	Lm000	Lm000
Interest receivable and similar income	84,333	101,449	78,891	94,449
Interest payable	(53,933)	(66,143)	(54,644)	(65,581)
Net interest income	30,400	35,306	24,247	28,868
Other net operating income	18,712	18,793	15,332	17,079
Total operating income	49,112	54,099	39,579	45,947
Operating expenses	(26,234)	(30,750)	(24,506)	(28,649)
Net charge for bad and doubtful debts	(4,675)	(6,741)	(4,664)	(6,756)
Amortisation of goodwill	(300)	(139)	(205)	(17)
Share of profits of associated companies	-	278	-	-
Operating Profit before Exceptional Item	17,903	16,747	10,204	10,525
Exceptional Item	(2,855)	-	(2,797)	-
Profit on ordinary activities before tax	15,048	16,747	7,407	10,525
Tax on profit on ordinary activities	(3,511)	(2,692)	(1,975)	(1,966)
Profit on ordinary activities after tax	11,537	14,055	5,432	8,559
Profit attributable to minority interests	(109)	(243)	-	-
Profit for the financial year/period attributable to shareholders	11,428	13,812	5,432	8,559
Earnings per share	31.3c	37.9c	14.9c	23.5c
Dividends, net of income tax, for the year/period	2,608	2,608	2,608	2,608

Balance sheet extracts as at

(Figures in Lm millions)

	31/12/00	31/12/99	31/12/00	31/12/99
Total assets	1,413	1,342	1,349	1,305
Loans and advances to customers	848	817	717	707
Amounts owed to customers	1,183	1,147	1,035	1,028
Shareholders' funds	94	84	94	83

Review of group performance

The published figures have been extracted from HSBC Bank Malta's group audited accounts for the 12-month period ended 31 December 2000 as approved by the board of directors on 12 February 2001. Comparative figures refer to the 15-month period to 31 December 1999.

HSBC Bank Malta and its subsidiaries generated an operating profit, before an exceptional item and tax, of Lm17.9 million during the 12-month period ended 31 December 2000, an increase of Lm1.2 million, or 6.9 per cent compared with the 15-month period ended 31 December 1999. Against a comparable 12-month period, growth is Lm4.5 million (33.6 per cent).

The exceptional item of Lm2.9 million represents redundancy provisions raised and payments made as a result of voluntary early retirement and voluntary redundancy schemes currently in force. The exceptional item is unrelated to the discontinuance of any business segment within the group's activities.

Net interest income of Lm30.4 million was Lm2.2 million or 7.6 per cent higher, when compared to an annualised position for 1999. Non-interest income rose by Lm3.7 million or 24.5 per cent on annualised 1999 levels.

Operating expenses increased by Lm1.6 million or 6.6 per cent against a 12-month comparison for 1999. The group's cost to income ratio increased to 59.2 per cent from 56.8 per cent in 1999.

The net charge for bad and doubtful debts at Lm4.7 million was Lm2.1 million lower than the 15-month period ended 31 December 1999 but is consistent with a comparable 12-month period.

Earnings per share on an annualised basis, increased from 30.3 cents for 1999 to 31.3 cents.

The directors have proposed a final dividend of 6 cents per ordinary share which together with the interim dividend of 5 cents results in a total distribution of 11 cents for the 12-month period. For the fifteen months ended 31 December 1999, total dividend distribution was 11 cents per share. The dividend is covered 4.4 times by attributable profit (1999:5.3 times).

The dividend, which will be approved at the next Annual General Meeting, will be paid to shareholders who are on the Register of Members of the company on 16 February 2001.



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