

HSBC Bank Malta p.l.c.

Avviż għat-Tmienja u Tletin Laqgħa Ġenerali Annwali

**L-Erbgħa, 16 ta' April 2014
fi-10.00a.m. Grand Master Suite,
Conference Centre, Hilton Malta,
Portomaso, San Ġiljan**

Kontenut

1. Avviż għal-Laqqgħa Ġenerali Annwali (LĠA)
2. Informazzjoni fuq il-LĠA
3. Elezzjoni tad-Diretturi – Persuni Nominati

Kopja ta' dan l-avviż u d-dokumenti tal-informazzjoni relatata għal-LĠA huma aċċessibli mill-*website* tal-Bank www.hsbc.com.mt fit-taqsimha tal-*Annual General Meeting* għol-*Investor Relations microsite* <https://www.hsbc.com.mt/1/2/hsbc-in-malta/investor-relations/annual-general-meeting/annual-general-meeting>

L-Azzjonisti jistgħu jistaqsu mistoqsijiet lis-Segretarju tal-Kumpanija billi jċemplu fuq 2380 2404/5 jew jibagħtu ittra elettronika fuq companysecretarymalta@hsbc.com

Aċċess għal-LĠA

Fil-Hilton Portomaso hemm aċċess għas-siġġu bir-roti u biljetti għall-parkeġġ jiġu provduti. Jekk Azzjonist/a j/tixtieq servizz ta' interpretazzjoni waqt il-LĠA, huwa/hija għandu/għandha tikkuntattja lis-Segretarju tal-Kumpanija mhux aktar tard mis-7 ta' April 2014 fuq 2380 2404/5 jew fuq l-indirizz elettroniku: companysecretarymalta@hsbc.com

Notice of the Thirty Eighth Annual General Meeting

**Wednesday, 16 April 2014
at 10.00a.m. Grand Master Suite,
Conference Centre, Hilton Malta,
Portomaso, St Julian's**

Contents

1. Notice of Annual General Meeting (AGM)
2. Information about the AGM
3. Election of Directors – Nominees

A copy of this notice and all documents and information related to the AGM can be found on the Bank's website www.hsbc.com.mt in the Annual General Meeting section of the Investor Relations microsite <https://www.hsbc.com.mt/1/2/hsbc-in-malta/investor-relations/annual-general-meeting/annual-general-meeting>

Shareholders may ask questions to the Company Secretary by calling on 2380 2404/5 or by sending an email to companysecretarymalta@hsbc.com

Access to the AGM

Hilton Portomaso is wheelchair accessible and tickets for parking will be provided. Should a Shareholder require interpretation service during the AGM, he/she is to contact the Company Secretary by not later than 7 April 2014 on telephone numbers 2380 2404/5 or on email companysecretarymalta@hsbc.com



Avviż għal-Laqqgħa Ġenerali Annwali

Hawnhekk qiegħed jingħata avviż tal-LĠA tal-HSBC Bank Malta p.l.c. li se ssir fil-Grand Master Suite, Conference Centre, Hilton Malta, Portomaso, San Ġiljan nhar l-Erbgħa, 16 ta' April 2014. **Ir-reġistrazzjoni tibda fid-9.00a.m.**, u l-Laqqgħa tibda fl-10.00a.m.

L-Azzjonisti se jikkunsidraw u jekk jidrilhom xieraq, japprovaw ir-riżoluzzjonijiet li jseguwu hawn taħt:

Riżoluzzjonijiet Ordinarji

1. Ir-Rapporti u l-Kontijiet Annwali

Biex tirċievi u tapprova l-Kontijiet Annwali Verifikati għas-sena li għalqet fil-31 ta' Diċembru 2013, u r-Rapporti tad-Diretturi u l-Awdituri dwarhom;

2. Dividend

Biex tapprova, kif rakomandat mill-Bord tad-Diretturi, hlas finali ta' dividend gross ta' 5.2 ċenteżmi għal kull sehem, liema hlas finali jammonta għas-somma totali ta' €15,175,680;

3. Biex terġa' tappunta lill-Awdituri

Biex terġa' tappunta lill-Awdituri KPMG u biex il-Bord tad-Diretturi jiġi awtorizzat jiffissa r-rimunerazzjoni tagħhom;

4. Rimunerazzjoni lid-Diretturi

Biex tiġi stabbilita s-somma massima ta' €230,000 bħala rimunerazzjoni lid-Diretturi.

Riżoluzzjoni Ordinarja – Negożju Speċjali

5. Bonus Share Issue

- i biex tiġi approvata *Bonus Share Issue* ta' sehem (1) għal kull disa' (9) ishma elenkati fir-reġistru tal-membri hekk kif jagħlqu t-transazzjonijiet fil-Borża ta' Malta fid-29 ta' April 2014. Il-*bonus shares* ikunu eleġibbli għat-transazzjonijiet hekk kif jiftaħ in-negożju fit-30 ta' April 2014;
- ii biex jiżdied il-Kapital Maħruġ tal-Bank u jinħarġu 32,431,380 sehem ordinarju mħallsa għal kollox ta' valur nominali ta' 30c kull sehem billi tinħareġ is-somma ta' €9,729,414 mill-fond tar-riserva tal-Bank;
- iii l-allokazzjoni ta' *bonus shares* fuq ishma reġistrati f'isem l-Azzjonisti ta' sehem għal kull disa' ishma, mhux dejjem huwa diviż eżatt. Fil-każ li jkun hemm frazzjoni ta' sehem, il-Bank se jżid l-allokazzjoni għall-eqreb sehem.

Hawnhekk ukoll qiegħed jingħata avviż tal-elezzjoni li se sseguwu wara l-kunsiderazzjoni tar-riżoluzzjonijiet.

Hatra u Elezzjoni tad-Diretturi

Biex tappunta u teleggi d-Diretturi.

Bl-ordni tal-Bord



Avv. George Brancaleone LL.D.
26 ta' Marzu 2014
Segretarju tal-Kumpanija

Notice of Annual General Meeting

Notice is hereby given that the AGM of HSBC Bank Malta p.l.c. will be held at the Grand Master Suite, Conference Centre, Hilton Malta, Portomaso, St Julian's on Wednesday, 16 April 2014. **Registration starts at 9.00a.m.** and the Meeting commences at 10.00a.m.

The Shareholders will consider and if deemed fit, approve the following resolutions:

Ordinary Resolutions

1. Annual Reports and Accounts

To receive and approve the Audited Accounts for the year ended 31 December 2013 and the Reports of the Directors and Auditors thereon;

2. Dividend

To approve a final gross dividend of 5.2 cent per share representing a final gross payment of €15,175,680, as recommended by the Board of Directors;

3. Reappointment of the Auditors

To re-appoint the Auditors KPMG and to authorise the Board of Directors to fix their remuneration;

4. Directors' Remuneration

To establish the maximum annual remuneration of the Directors at €230,000.

Ordinary Resolution – Special Business

5. Bonus Share Issue

- i to approve a Bonus Share Issue of one (1) new share for every nine (9) shares held on the register of members as at close of trading on the Malta Stock Exchange on 29 April 2014. The bonus shares will be available for trading by the Shareholders at the opening of business on 30 April 2014;
- ii to increase the Issued Share Capital of the Bank by issuing 32,431,380 fully paid ordinary shares of a nominal value of 30c per share against the debit of an equivalent amount of €9,729,414 to the Bank's retained earnings account;
- iii the allocation ratio of bonus shares to registered shares held by eligible members of one-for-nine shares may not be exactly divisible by nine. In case of a fractional entitlement the Bank will round up any fraction to the nearest share.

Notice is also hereby given of an election following the consideration of the resolutions.

Appointment and Election of Directors

To appoint and elect Directors.

By Order of the Board



Dr George Brancaleone LL.D.
26 March 2014
Company Secretary

Informazzjoni fuq il-Laqqha Ġenerali Annwali

Informazzjoni fuq il-LĠA, inklużi d-drittijiet tal-vot tiegħek u kif teżercita dawn id-drittijiet, huma elenkati hawn taħt:

Record Date

Dan l-avviż intbagħat lill-Azzjonisti kollha tal-Bank li kienu fuq ir-Registru tal-Borża ta' Malta fis-17 ta' Marzu 2014 (ir-Record Date). Huma dawn l-Azzjonisti biss li għandhom id-dritt li jattendu u jvutaw fil-LĠA. Il-Bank għandu Klassi waħda biss ta' azzjonijiet u dawn l-azzjonijiet għandhom l-istess drittijiet għall-voti. In-numru totali ta' azzjonijiet elegibbli biex jippartecipaw fil-Laqqha huwa ta' 291,840,000 sehem.

Id-dritt tal-Azzjonisti biex jistaqsu mistoqsijiet

L-Azzjonisti jistgħu jistaqsu mistoqsijiet relatati mal-aġenda tal-Laqqha skont il-Listing Rules 12.24 sa 12.26. Mistoqsijiet relatati mar-riżoluzzjonijiet imsemmija hawn fuq jistgħu jintbagħtu lis-Segretarju tal-Kumpanija bil-posta jew fuq l-indirizz elettroniku companysecretarymalta@hsbc.com. Risposti għad-domandi relatati mal-aġenda jistgħu jingħataw direttament lill-Azzjonist li għamel id-domanda, jew jiġu ppublikati fuq il-*website* tal-Bank jew waqt il-Laqqha.

Filwaqt li *Chairman* tal-Laqqha se jfittex li jwieġeb għall-mistoqsijiet kollha li jittressqu b'konnessjoni mar-riżoluzzjonijiet imressqa quddiem il-LĠA, wieħed għandu jinnota li twegiba ġenerali waħda tista' tingħata mill-Bank fejn il-mistoqsijiet għandhom l-istess kontenut. Lebda risposta ma tingħata mill-Bank meta:

- i it-twegiba tista' ttellef il-preparazzjoni tal-LĠA, tinvolvi informazzjoni kunfidenzjali jew tista' tikkawża preġudizzju lill-interessi kummerċjali tal-Bank;
- ii mhux fl-interess tal-andament b'mod ordnat tal-LĠA li tingħata twegiba; jew
- iii il-Bank mhux f'pożizzjoni li jagħti risposta immedjata, f'liema każ iżda, ir-risposta se tkun sussegwentement imqiegħda fuq il-*website* tal-Bank.

F'każ ta' diffikultajiet jew mistoqsijiet, l-Azzjonisti huma ġentilment mitluba li jikkuntattjaw l-Uffiċċju tas-Segretarju tal-Kumpanija fuq 2380 2404/2380 2405 jew fuq l-indirizz elettroniku companysecretarymalta@hsbc.com

Abbozz ta' Riżoluzzjonijiet

Labbozz tar-riżoluzzjonijiet li se jiġu kkunsidrati u jittiehed vot dwarhom matul il-LĠA huma inklużi bħala parti integrali ta' dan l-Avviż.

Kif ġie ddikjarat fil-*Company Announcement* Nru HSBC249 tal-Bank, Azzjonist jew Azzjonisti li għandhom minn tal-inqas 5% tal-kapital azzjonarju mahruġ tal-Bank b'jedd għall-vot kien/kienu intitolat/i li jitlob/jitolbu lill-Bank li jinkludi sugġetti fuq l-aġenda tal-LĠA u li jipprezentaw abbozz ta' riżoluzzjonijiet għal sugġetti li jiġu inklużi fl-aġenda tal-LĠA. Dawn it-talbiet kellhom jiġu sottomessi lill-Bank sal-1 ta' Marzu 2014, li tiġi s-sitta u erbghin (46) gurnata qabel id-data indikata tal-LĠA (it-16 ta' April 2014) u l-Bank mhux se jestendi dan il-perjodu.

Information about the Annual General Meeting

Information about the AGM, including your voting rights, and how you may exercise them, is set out below:

Record Date

This notice has been mailed to the Bank's Shareholders on the Register of the Malta Stock Exchange on 17 March 2014 (the Record Date). These Shareholders only shall be entitled to attend and vote at the AGM. The Bank has only one Class of Shares and the shares have equal voting rights. The total number of shares eligible to participate in the Meeting is 291,840,000 shares.

Shareholders' right to ask questions

Shareholders may ask questions related to the items on the agenda in terms of Listing Rules 12.24 to 12.26. Questions in relation to the resolution above-mentioned may be directed to the Company Secretary by post or e-mail to companysecretarymalta@hsbc.com. Answers to questions related to items on the agenda may be given either directly to the Shareholder asking the question, or published on the Bank's website or during the Meeting.

Whilst the Chairman of the Meeting will endeavour to reply to all questions that may be raised in relation to the resolutions placed before the AGM, it is to be noted that one overall answer may be provided to questions having the same content. No answer is required to be given by the Bank when:

- i an answer would interfere unduly with the preparation for the AGM, involve the disclosure of confidential information or cause prejudice to the business interests of the Bank;
- ii it is not in the interests of good order of the AGM that the question be answered; or
- iii the Bank is unable to provide an immediate reply, in which case, however, the reply will be subsequently posted on the website of the Bank.

In case of any difficulties or queries, the Shareholders are kindly asked to contact the office of the Company Secretary on 2380 2404/2380 2405 or on email address companysecretarymalta@hsbc.com

Draft Resolutions

The draft resolutions to be considered and voted upon at the AGM are included as an integral part of this Notice.

As stated in the Bank's Company Announcement No HSBC249, a Shareholder or Shareholders holding not less than 5% of the voting issued share capital of the Bank was/were entitled to request the Bank to include items on the agenda of the AGM and to table draft resolutions for items to be included in the agenda of the AGM. Such requests were to be submitted to the Bank by the 1 March 2014, that is at least forty six (46) days before the date set for the AGM (16 April 2014) and the Bank is not extending this period.

Votazzjoni

Kull meta jittiehed vot, sew jekk dan isir b'wiri tal-idejn jew b'mezz ta' votazzjoni, **kull sehem** fil-Bank jaghti dritt ghal **vot wiehed (1)** fil-LĠA tal-Kumpanija.

Skont l-Artikli tal-Assoċjazzjoni tal-Bank, riżoluzzjoni mressqa għall-vot tkun determinata b'wiri tal-idejn sakemm ma tintalabx votazzjoni qabel jew waqt id-dikjarazzjoni ta' riżultat permezz ta' wiri tal-idejn minghand:

- i iċ-*Chairman*; jew
- ii minn tal-inqas tliet (3) membri preżenti personalment jew b'mezz ta' prokura; jew
- iii minn membru jew membri preżenti personalment jew b'mezz ta' prokura u jirrapprezentaw mhux anqas minn wiehed f'għaxra tat-total tal-eligibilità tal-membri bi dritt tal-vot fil-Laqqha; jew
- iv minn membru jew membri preżenti personalment jew b'mezz ta' prokura li għandhom ishma fil-Kumpanija bi dritt li jivvotaw fil-Laqqha, liema ishma huma mħallsa jew daqs wiehed f'għaxra tas-somma totali mħallsa fuq l-ishma kollha b'dawn id-drittijiet.

F'każ ta' riżultati ndaqs, kemm b'wiri tal-idejn jew b'mezz ta' votazzjoni iċ-*Chairman* tal-Laqqha jkollu t-tieni vot jew vot deċiżiv.

Fil-każ li jittiehed vot mhux permezz tal-wiri tal-idejn:

L-Azzjonist irid jimmarka l-preferenza tiegħu/tagħha fuq kull riżoluzzjoni billi jimmarka 'Favur' jew 'Kontra' fil-kaxxi indikati fejn iriżoluzzjonijiet. **Jekk jiġi mmarrat il-vot kemm 'Favur' kif ukoll 'Kontra' għall-istess riżoluzzjoni, il-vot ta' dik iriżoluzzjoni partikulari jiġi invalidu.**

Elezzjoni tad-Diretturi

Il-Bord tad-Diretturi jikkonsisti f'mhux aktar minn disa' (9) diretturi. Skont Klawsola 7 tal-Memorandum tal-Assoċjazzjoni u Artiklu 77(4) tal-Istatut ta' Assoċjazzjoni, (a) jistgħu jiġu appuntati sitt (6) diretturi, u (b) issir elezzjoni biex jiġu eletti tliet (3) diretturi oħra. Ġew nominati Agius Leslie, Bonello John, Dunbar Cousin James, Galea Xuereb Marianna u Zammit Testaferrata Moroni Viani Caroline.

Għall-Elezzjoni tad-Diretturi, l-Azzjonist irid iniżżel in-numru ta' voti hdejn il-kaxxa tal-kandidat/a li jixtieq jivvota għalih/għaliha. L-Azzjonist jista' jivvota għal aktar minn kandidat/a wiehed/wahda iżda t-total tal-voti ma jistgħux jeċċedu n-numru totali ta' voti li għandu/għandha l-Azzjonist. **Jekk jiġu eċċeduti n-numru totali ta' voti, il-vot jiġi invalidu.** L-Azzjonist jista' jimmarka (✓) l-vot jew iniżżel (X) u l-Azzjonist jiġi interpretat li ta l-voti kollha tiegħu/tagħha lil dak il-kandidat/a. **Jekk jiġi mmarrat aktar minn kandidat/a wiehed/wahda, il-vot jiġi invalidu.** Jekk il-vot jingħata bi preferenza ta' kandidati, jiġifieri jimmarka bin-numri 1, 2, 3, 4 u 5 il-vot jiġi interpretat b'vot wiehed għall-kandidat/a mmarrat 1, żewġ voti għall-kandidat/a mmarrat 2, u l-kumplement.

Voting

Whenever a vote is taken whether by a show of hands or on a poll, **each share** in the Bank shall give right to **one (1) vote** at the AGM of the Company.

In terms of the Articles of Association a resolution put to the vote shall be determined and decided by a show of hands, unless a poll is demanded, before or on the declaration of the result by a show of hands, by:

- i the Chairman; or
- ii by at least three (3) members present in person or by proxy; or
- iii any member or members present in person or by proxy and representing not less than one-tenth of the total voting power of all members having the right to vote at that Meeting; or
- iv a member or members present in person or by proxy holding shares in the Company conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

In the case of equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting shall have a second or casting vote.

In the case of voting not by show of hands:

The Shareholder should indicate his/her voting preference against each resolution in the appropriate box either by ticking 'For' or 'Against'. **If a vote is marked both 'For' and 'Against' for the same resolution, the Shareholder's vote on that particular resolution will be invalid.**

Election of Directors

The Board of Directors shall consist of not more than nine (9) directors. In terms of clause 7 of the Memorandum of Association and Article 77(4) of the Articles of Associations: (a) six (6) directors may be appointed, and (b) an election will be held to elect the other three (3) directors. Valid nominations have been received from Agius Leslie, Bonello John, Dunbar Cousin James, Galea Xuereb Marianna and Zammit Testaferrata Moroni Viani Caroline.

For the Election of Directors, the Shareholder is to enter the number of votes in the boxes next to the names of the candidates he wishes to vote for. The Shareholder may vote for more than one candidate but the total number of votes allocated may not exceed the total number of votes held. **Exceeding the total number of votes will invalidate the vote.** A Shareholder may also mark (✓) or cross (X) any of the candidates and this will be interpreted that the Shareholder has assigned all the votes accordingly. **If a mark is placed next to more than one candidate the vote will be invalid.** If the Shareholder marks the candidates with voting preference i.e. numbered 1, 2, 3, 4, 5 the vote will be interpreted as one vote for the candidate marked 1, two votes for the candidate marked 2 and so on.

Dritt tal-Azzjonist li jappunta Prokuratur

Azzjonist li ghandu d-dritt għall-vot ghandu d-dritt li jappunta prokuratur. Tista' tappunta liċ-Chairman tal-LĠA jew persuna oħra magħżula minnek biex jattendi, jikkellim u jivvota f'ismek. Il-prokuratur m'hemmx għalfejn ikun Azzjonist ukoll. Formola tal-prokura flimkien ma' *self-addressed envelope* qed jintbagħtu ma' dan l-avviż.

Azzjonist/a li ghandu/għandha ishma bi shab, għandu/għandha d-dritt awtomatiku li jirrappreżenta lill-Azzjonisti l-oħra bi shab miegħu/magħha għal skop ta' votazzjoni fil-LĠA hliet jekk il-Bank ma jkunx irċieva mhux aktar tard minn **48 siegħa qabel** il-hin tal-LĠA, istruzzjonijiet bil-miktub minn qabel, minn wiehed mill-membri l-oħra li miegħu/magħha għandu/għandha ishma bi shab.

Kumpaniji jew assoċjazzjonijiet għandhom jawtorizzaw formalment rappreżentant, liema awtorizzazzjoni trid tiġi preżentata fil-bieb.

Il-Prokura

Formola tal-prokura hi annessa ma' dan l-avviż u hija aċċessibbli mill-website tal-Bank www.hsbc.com.mt

Kif tibgħat il-Prokura

Biex tkun valida, din il-prokura trid tintbagħat lis-Segretarju tal-Kumpanija, HSBC Bank Malta p.l.c., 116, Triq l-Arċisqof, Valletta VLT 1444, bl-idejn jew billi tuża s-*self-addressed envelope* inkluż. Din il-prokura tista' tintbagħat b'mezz elettroniku, f'liema każ inti mitlub tikkuntattja lis-Segretarju tal-Kumpanija fuq l-indirizz elettroniku companysecretarymalta@hsbc.com biex jiggwidak fuq il-proċedura li trid taddotta jekk jintagħżel dan il-mezz. Il-prokura mibgħuta bl-idejn, bil-posta, jew b'mezzi elettroniċi għandha tasal għand is-Segretarju tal-Kumpanija mhux anqas minn 48 siegħa qabel il-hin tal-LĠA. Jekk din il-prokura tintbagħat mingħajr indikazzjoni ta' kif il-prokuratur għandu jivvota fuq kwalunkwe materja, il-prokuratur jista' juża d-diskreżjoni jekk jivvutax jew kif jivvota.

Żvelar mill-Prokuratur lill-Azzjonist

Skont il-Listing Rules 12.29 u 12.30, il-prokuratur għandu javża lill-Azzjonist li appuntah b'fatti li jaf bihom, li jistgħu jkunu relevanti għal dak l-Azzjonist biex jivvaluta kwalunkwe riskju, li l-prokuratur jista' jkollu interessi oltre minn dawk tal-Azzjonist.

Servizz ta' Interpretu

Jekk tixtieq servizz ta' interpretu waqt il-LĠA għandek iċċempel mhux aktar tard mis-7 ta' April 2014 fuq in-numri 2380 2404/5.

Dokumenti annessi ma' dan l-Avviż

Dan id-dokument jinkludi:

1. il-Kontijiet Annwali għas-sena li għalqet fil-31 ta' Diċembru 2013;
2. formola tad-dhul;
3. formola tal-prokura;
4. ċirkulari lill-Azzjonisti;
5. profil tal-Kandidati.

Shareholders' right to appoint a Proxy

A Shareholder having the right to attend and vote is entitled to appoint a proxy. You may appoint the Chairman of the AGM or a person of your choice to be your proxy to attend, speak and vote on your behalf. The proxy need not also be a Shareholder. A proxy form together with a self-addressed envelope is being sent together with this notice.

A joint Shareholder, has the automatic right to represent the other joint Shareholders of the same shares for purposes of voting in General Meetings unless the Bank shall have received not later than **48 hours before** the appointed time of the AGM, prior contrary written instructions from any of the said other joint members.

Companies and Associations are to provide their representative with an appropriate authorisation to be shown at the entrance.

Form of Proxy

A form of proxy is enclosed with this document and may be accessed at www.hsbc.com.mt

How to submit your Form of Proxy

To be valid, the form of proxy must be sent to the Company Secretary, HSBC Bank Malta p.l.c., 116, Archbishop Street, Valletta VLT 1444, by hand or by using the enclosed self-addressed envelope. You may also send the form of proxy by electronic means to the Company Secretary on e-mail address companysecretarymalta@hsbc.com who will advise you on the procedure to be adopted in this case. Form of proxy sent either by hand, by mail or by electronic means must reach the Company Secretary by not less than 48 hours before the appointed time of the AGM. If the form is received without an indication as to how the proxy shall vote on any particular matter, the proxy will exercise discretion as to whether, and if so how, he/she votes.

Disclosure by Proxy Holder to the Shareholder

In terms of Listing Rules 12.29 and 12.30, a proxy holder is to disclose to the Shareholder who appointed him/her any facts of which he/she is aware and which may be relevant to that Shareholder in assessing any risk that the proxy holder might pursue any interest other than the interest of the Shareholder.

Interpreter Services

If you require interpreter service during the AGM kindly call by not later than 7 April 2014 on telephone numbers 2380 2404/5.

Documents included with this Notice

This document includes:

1. Annual Report and Accounts for the year ending 31 December 2013;
2. admission form;
3. form of proxy;
4. circular to Shareholders;
5. profile of Candidates.

Din iċ-ċirkulari lill-Azzjonisti skont il-Kapitlu 6 tal-Listing Rules hi importanti u għandha tinghata l-attenzjoni immedjata tiegħek

Il-Bonus Share Issue Propost

Fil-Laqqha tal-Bord tal-24 ta' Frar 2014, il-Bord tad-Diretturi tal-*HSBC Bank Malta p.l.c.* (il-'Bank'), il-Bank iddeċieda li għal-Laqqha Ġenerali Annwali li se ssir fis-16 ta' April 2014, jipproponi biex jitqassam sehem għal kull disa' ishma fil-Bank.

Riżoluzzjoni Ordinarja Proposta – Xogħol Speċjali (skont l-Artiklu 49 tal-Memorandum tal-Assoċjazzjoni tal-Kumpanija):

- i biex tiġi approvata *Bonus Share Issue* ta' sehem (1) għal kull disa' (9) ishma elenkati fir-reġistru tal-membri hekk kif jagħlqu t-transazzjonijiet fil-Borża ta' Malta fid-29 ta' April 2014. Il-*bonus shares* ikunu elegibbli għat-transazzjonijiet hekk kif jiftaħ in-negozju fit-30 ta' April 2014;
- ii biex jiżdied il-Kapital Mahruġ tal-Bank u jinharġu 32,431,380 sehem ordinarju mhallsa għal kolloxx ta' valur nominali ta' 30c kull sehem billi tinhareġ is-somma ta' €9,729,414 mill-fond tar-riserva tal-Bank;
- iii l-allokazzjoni ta' *bonus shares* fuq ishma registrati f'isem l-Azzjonisti ta' sehem għal kull disa' ishma, mhux dejjem huwa diviż eżatt. Fil-każ li jkun hemm frazzjoni ta' sehem, il-Bank ser iżid l-allokazzjoni għall-eqreb sehem.

Ir-Raġuni għall-Proposta tal-Bonus Share Issue

Il-Bank ikkunsidra proposti mressqa minn Azzjonisti biex mad-dividend jinharġu ishma wkoll. F'dan ir-rigward il-Bank qed jipproponi li jqassam sehem għal kull disa' ishma bhala *Bonus Share Issue*. Il-*Bonus Share Issue* huwa transfer ta' flus minn riżervi għall-kapital. Bl-intendiment li din it-transazzjoni ma taffettwax negattivament in-negozju, huwa mistenni li tiġi milqugħa pożittivament mill-Azzjonisti tal-Bank. Huwa rakomandat li l-Bank johroġ *Bonus Share Issue* ta' sehem għal kull disa' ishma billi jiġu kapitalizzati riżervi li jammontaw għal madwar €10m.

In-Natura ta' dawn l-Ishma

Il-*bonus shares* huma intitolati għad-dividend bl-istess rata u għall-istess perjodu, biex id-distribuzzjoni tad-dividend segwenti għal kull sehem jammonta għall-istess somma (gross u netta). Dawn l-ishma għandhom l-istess drittijiet fir-rigward tat-trasferiment ristrett, attendenza u votazzjoni fil-laqqha, u qeghdin fi grad *pari passu* għall-finijiet l-oħra kollha.

Diġà saret l-applikazzjoni biex l-ishma jiġu elenkati fil-Borża ta' Malta.

This circular to Shareholders in terms of Chapter 6 of the Listing Rules is important and requires your immediate attention

Proposed Bonus Share Issue

The Board of Directors of *HSBC Bank Malta p.l.c.* (the 'Bank') at a Board Meeting held on 24 February 2014, resolved to propose to the next Annual General Meeting to be held on 16 April 2014, a one-for-nine Bonus Share Issue.

Proposed Ordinary Resolution – Special Business (in terms of Article 49 of the Articles of Association):

- i to approve a Bonus Share Issue of one (1) new share for every nine (9) shares held on the register of members as at close of trading on the Malta Stock Exchange on 29 April 2014. The bonus shares will be available for trading by the Shareholders at the opening of business on 30 April 2014;
- ii to increase the Issued Share Capital of the Bank by issuing 32,431,380 fully paid ordinary shares of a nominal value of 30c per share against the debit of an equivalent amount of €9,729,414 to the Bank's retained earnings account;
- iii the allocation ratio of bonus shares to registered shares held by eligible members of one-for-nine shares may not be exactly divisible by nine. In case of a fractional entitlement the Bank will round up any fraction to the nearest share.

Reason for the Proposal of a Bonus Share Issue

The Board considered past Shareholders' proposal to issue shares in addition to the payment of dividend. In this regard the Bank is proposing to distribute a one-for-nine bonus share issue. A bonus share offer is a transfer from reserves to share capital. On the understanding that such an issue will not negatively impact the business, the issue is expected to be positively received by the Bank's Shareholders. It is recommended that the Bank undertakes a bonus issue of 1 share for every 9 by capitalising retained reserves amounting to circa €10m.

Nature of these Shares

The bonus shares are entitled to dividend at the same rate and for the same period, so that at the next ensuing distribution the dividend payable per unit will amount to exactly the same sum (gross and net). These shares carry the same rights as to unrestricted transfer, attendance and voting at meetings, and rank *pari passu* in all other respects.

An application for Admission to Listing, on the Malta Stock Exchange has already been made.

X'jirikkmandaw id-Diretturi

Peress li fil-fehma tal-Bord tad-Diretturi ż-żieda fil-Kapital Mahruġ isahhaħ it-*Tier 1 Capital Ratio* u qed issir fl-aħjar interess tal-Azzjonisti kollha, jirikkmanda lill-Azzjonisti jivvutaw favur din l-emenda fil-LĠA li jmiss.

Dikjarazzjoni mid-Diretturi

Id-Diretturi kollha tal-Bank li isimhom elenkat f'paġni 16 u 17 tal-*Annual Report and Accounts 2013* aċċettaw ir-responsabbilta' għall-informazzjoni mniżżla f'dan id-dokument. Fl-aħjar fehma tad-Diretturi li eżerċitaw il-kawtela neċessarja sabiex jiżguraw li dan huwa l-każ, l-informazzjoni msemmija f'dan id-dokument hija skont il-fatti u ma teskludix xi haġa li tista' taffettwa l-veraċità ta' din l-informazzjoni.

Avviż lill-Azzjonisti

Dawk l-Azzjonisti li jibqgħu f'dubju fuq kif għandhom jivvotaw huma mheġġa jiehdu parir minghand konsulenti indipendenti adattati.

Inti ġentilment mitlub li jekk tbigh jew tittrasferixxi xi whud jew l-azzjonijiet kollha, għandek tgħaddi din iċ-Ċirkulari lill-persuna li permezz tagħha sar il-bejgħ jew it-trasferiment lill-persuna li akkwistat l-ishma.

Directors' Recommendation

The Board of Directors is of the view that the proposed increase in Issued Share Capital strengthens the Tier 1 capital ratio and is in the best interest of the Shareholders as a whole, recommends that the Shareholders vote in favour of this proposal at the next AGM.

Declaration by the Directors

All the Directors of the Bank, whose names appear on pages 16 and 17 of the 2013 Annual Report and Accounts, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors who have taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Notice to Shareholders

Shareholders who remain in doubt as to what voting action to take are advised to consult appropriate independent advisers.

You are kindly requested to ensure that if you sell or transfer any or all of the securities held, this Circular is to be passed on to the person through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Nominees for the HSBC Bank Malta p.l.c. Directors' Election

Agius Leslie

Holds a Degree in Pharmacy (1964) and a Diploma in Foreign Service Studies (Oxford University 1968). Joined the Executive Civil Service in 1964 and was posted to the Foreign Ministry. During his diplomatic career he was appointed Ambassador to the USA, Italy, France and Greece. In 1985 he was appointed Director of the Malta National Tourism Organisation in London and was elected Chairman of the Association of National Tourist Offices in the UK. He served on the boards of MDC and MTA. In 1992 he was appointed CEO of the Malta University's Foundation for International Studies. In 2005 he was appointed Deputy Chair of CHOGM. In 1997 he founded the Multiple Sclerosis Society of Malta.

Bonello John

Appointed Director of the Bank on 15 July 2013. Chairman of the Bank's Audit & Risk Committee and of the Bank's Remuneration Committee. He is a Chartered Accountant and a Certified Public Accountant and holds various directorships in Maltese public listed and private companies. He was formerly the Chairman and Senior Partner of PricewaterhouseCoopers in Malta from where he retired in December 2009. Member of the Joint Disciplinary Board of the Accountancy Board and the Malta Institute of Accountants. Also contact member in Malta for the Institute of Chartered Accountants in England and Wales.

Dunbar Cousin James

Non-Executive Director of HSBC Bank Malta p.l.c. since 1 April 2009. Joined Barclays Bank D.C.O. in 1968. Occupied various managerial roles within the branch network of Mid-Med Bank Ltd. Subsequently, he occupied the roles of Executive Manager and later Head of Commercial Banking of the Bank. Mr Dunbar Cousin retired from the Bank at the end of 2008. A member of the Bank's Remuneration Committee and presently holds various directorships in other local companies.

Galea Xuereb Marianna

An electrical engineer by profession who worked at Enemalta Corporation until 2004. She has successfully pursued a Higher Diploma for Change and Innovation in Tourism, a Diploma in Financial Services Operations and Compliance, a Bachelor's Degree in Electrical Engineering and a Masters in Business Administration. She has served on the Board of the Malta Council for Science and Technology between 1997 and 1998.

Zammit Testaferrata Moroni Viani Caroline

Non-Executive Director of the Bank since 18 April 2013. She holds various directorships and executive positions within Testaferrata Group, whose ultimate parent company is Mercury p.l.c. a holding company whose main investments are concentrated in the tourism sector, with subsidiaries in the UK, and also having significant interests in leisure oriented commercial properties, a high end business centre and a portfolio investment company which is registered on the Malta Stock Exchange as a Collective Investment Scheme. She is a member of the Bank's Audit and Risk Committee. A former Director of HSBC Life Assurance (Malta) Ltd and former member of MTA.