

30 April 2024

## **Strong momentum drives a 48% increase in HSBC Malta's first quarter results**

HSBC Bank Malta p.l.c. continued to report strong profits with reported profit before tax for Q1 2024 of €39.3m, an increase of 48% over the €26.5m profit reported in the same period last year. The higher interest rate environment was the biggest contributor to the increase in profits. Good progress was reported on the non-interest income while lower Expected Credit Losses (ECL) recoveries were registered.

Revenue was up €14.6m or 29% when compared to Q1 2023. This was mainly driven by higher net interest income earned on the placement of excess liquidity due to the higher interest rate environment. The bank additionally registered higher business volumes resulting in an increase in net fee income, foreign exchange and insurance income.

The bank recorded an improvement in the credit quality of its loan book, resulting in a release of ECL of €1.8m in Q1 2024 compared to a release of €3.7m in Q1 2023. The Q1 2024 release reflected a generic improvement in the credit quality of the book.

The bank managed to maintain costs at the same level as the same period last year despite the impacts of inflation and the continued investment in its people, technology, and premises.

Net loans and advances to customers remained broadly in line with Q4 2023 levels. Customer deposits decreased marginally mainly driven by a decrease in operational corporate deposits.

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: "I would like to thank our customers for their business. We continued our strong momentum with a 48% growth in pre-tax profit over prior year. We continue to invest in technology to improve customer service. In January 2024, we signed a new collective agreement for the period 2024 - 2026 which is characterised by significant enhancements to employee pay, benefits and retirement pension. We also continued to invest into our state-of-the-art office to offer a better working environment for our employees.

"HSBC Malta's Global Trade and Receivables Finance team was awarded as the Market Leader and Best Service Bank in Malta for the second consecutive year in the Euromoney Trade Finance Survey 2024. This prestigious recognition underscores HSBC Malta's commitment to excellence and innovation in serving its customers."

***HSBC Bank Malta p.l.c.***

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***HSBC Holdings plc***

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