

28th October 2025**HSBC Malta Financial Results Q3 2025 YTD****Resilient performance with strong customer engagement
and ongoing product innovation**

HSBC Bank Malta p.l.c. (the 'Bank') reported profit before tax of €82.5m for Q3 2025 YTD, representing a 30% decrease compared to the same period last year. This expected decrease in profits was primarily attributable to the return of a normalised interest rate environment and lower recoveries from expected credit losses ('ECL'). The Bank remains highly profitable with strong capital and liquidity positions.

Revenue decreased by €24.6m or 13% when compared to Q3 2024 YTD given the lower interest rate environment. The implementation of structural hedges helped to mitigate the effect of the decline in rates. Growth was reported in all other revenue lines, namely net fee income and foreign exchange. Strong results have been achieved in transaction banking particularly Global Trade Services with revenue up c. 15% bolstered by record guarantee issuances and increase in other facilities. An increase in wealth assets under management was reported.

The Bank recorded an improvement in the credit quality of its loan book, resulting in a release in ECL of €4.6m in Q3 2025, lower than the €10.8m reported in the same period last year. The release in 2025 was primarily driven by a re-assessment of the loss rate and loss given default parameters used to calculate ECL on mortgages and recoveries on corporate non-performing exposures.

Operating expenses increased by 6% compared to the same period last year. There was an increase in staff costs due to enhanced benefits as per the collective agreement. The Bank also continued to invest in technology and property. The Bank launched SEPA Instant Payments, allowing customers to send or receive Euro payments 24x7 across Europe in under 10 seconds. Customers now have the ability to pay a new beneficiary on the HSBC Mobile App, with IBAN paste functionality. This enhances the digital payments proposition and improves customer experience.

The refurbishment of the new Headquarters in Qormi has been completed, with ample parking for customers. The ATM upgrade programme across Malta and Gozo is now almost finalised.

Net loans and advances to customers decreased marginally compared with December 2024 levels. The credit quality of the lending book improved, maintaining a very low non-performing loan ratio. Business lending increased during the quarter.

Customer deposits remained at the same level of December 2024. An increase in the average corporate deposits was achieved in the period under review.

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

On 16 September 2025, HSBC Continental Europe announced it had signed a put option agreement with CrediaBank S.A. ('CrediaBank') regarding the potential sale of its majority shareholding in HSBC Bank Malta p.l.c. This is subject to an information and consultation process with HSBC Continental Europe's works council in France and regulatory approvals.

Further to the Bank's company announcement HSBC467, the Bank has now embarked on the planning process for a seamless transition, while retaining its focus on business continuity, growth, strategic investment and employee engagement.

Geoffrey Fichte, Chief Executive Officer of HSBC Bank Malta p.l.c., said: "We continued our strong business momentum focused on supporting our customers with growth in transactions, fees, wealth, insurance, asset management and FX. Our deposits and lending remain stable reflecting customer confidence. We're pleased to report higher customer activity, the launch of new services like SEPA instant payments and continued investments in our people and technology in order to make banking simpler, easier and safer for our customers.

"Our levels of capital and liquidity remain robust amongst the highest in the market. Our profitability remains strong. HSBC remains fully open for business, providing the full range of lending services from mortgages, personal loans, cards and savings and investments to long term lending to companies, including energy efficiency loans.

"On behalf of the entire HSBC Bank Malta team, I would like to thank our customers for their business and my colleagues for their support."

HSBC Bank Malta p.l.c.

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HSBC Holdings plc

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