HSBC

News Release

4 August 2026

# HSBC Malta delivers strong and resilient half year results, underpinned by robust Capital and Liquidity

HSBC Bank Malta p.l.c. delivered a reported profit before tax for the six months ended 30 June 2026 amounting to €44.4million (June 2025: €58.7million). Adjusted profit before tax, after considering notable items amounts to €51.7million (June 2025: €58.7million). The Board of Directors declared an interim quarterly cash ordinary dividend of €0.043 gross per share amounting to €15.5 million to be paid to shareholders appearing on the bank's Register of Members, as maintained at the Central Securities Depository at the Malta Stock Exchange, as at the close of business of 18 August 2026. Interim dividends will be paid on 23 September 2026. Considering the gross dividend per share paid in Q1 2026 of €0.036, total gross dividend per share in H1 2026 amounted to €0.079, equivalent to €28.5million.

Commenting on the results, Geoffrey Fichte, Chief Executive Officer, said. "We delivered a strong and resilient first half performance, with adjusted profit before tax of €51.7million, supported by rising transaction volumes and broad-based momentum across new-to-bank customers, personal lending, wealth and insurance, including product enhancements. New corporate lending increased to support businesses and the wider economy, while deposits grew year-on-year, reinforcing our funding strength and the trust customers place in us. Backed by our strong capital and liquidity ratios, and solid first half profitability, we are well positioned for the future and continue to reward shareholders with quarterly dividends. The proposed transition to a new majority shareholder, CrediaBank, subject to regulatory approvals, is progressing and the bank's employees remain focused on serving customers."

## Financial Performance

The reported profit before tax for the six months ended 30 June 2026 was €44.4million, a decrease of €14.3million compared with H1 2025. The period-on-period movement reflects the lower interest rate environment, market volatility and the impact of notable expenses. The adjusted profit before tax amounted to €51.7million, a decrease of €7.0million compared with the same period last year.

Net interest income decreased by €4.3million to €85.6million compared with €89.8million in H1 2025, reflecting lower average market interest rates during the period.

Non-funds income (fees and commissions and trading income) decreased by €0.6million compared to the same period last year. Net fee income increased by €0.3million supported by growth in new lending across both business lines and higher wealth sales. Trading income decreased by €0.9million, following an exceptionally strong comparative performance in H1 2025.

Operating expenses increased by €7.8million to €65.9million, compared with €58.1million in H1 2025. This reflects notable expenses of €7.3million, being accelerated software amortisation following a revision of the estimated useful life, and an expense for staff-related payments in connection with the industrial dispute with the Malta Union of Bank Employees ('MUBE') as announced in Company Announcement HSBC469.

The bank reported a net release of Expected Credit Losses ('ECL') of €6.5million, compared with a €3.0million release in the same period last year. The ECL release in H1 2026 primarily reflects a recovery on a long-outstanding non-performing corporate loan and improved credit quality in the retail portfolio. ECL calculations continued to consider elevated global uncertainty and geopolitical risks, while the local economy remained resilient.

HSBC Life Assurance (Malta) Ltd. delivered a profit before tax of €1.9million, compared with €6.5million in H1 2025. Performance was influenced by uncertain market conditions, with yield curve movements reversing versus the prior comparative period and negatively impacting net investment results. Despite a highly competitive market, new business generation across protection and long-term savings continued to perform well in the first half of the year and ahead of last year. The company also continued to demonstrate strong financial resilience, maintaining a very robust capital position with a Solvency ratio of 252% as at 30 June 2026.

The effective tax rate remained at 35%, resulting in an interim tax expense of €15.7million.

## Financial Position and Capital

Net loans and advances to customers amounted to €2,696million as at 30 June 2026, a decrease of €67million or 2% when compared to 31 December 2025. However, the bank continued to grow new lending across both business lines and strengthened portfolio quality, resulting in a reduction in non-performing loans of 6%. Non-performing loans are at the lowest levels in recent years.

The investment portfolio increased by €98million to €2,636million, reflecting continued effort to mitigate structural interest-rate risk on the balance sheet. The portfolio remains conservatively positioned and is composed of highly rated securities with the lowest investment grade of A-.

Customer deposits were €6,213million as at 30 June 2026, marginally higher than €6,203million as at 30 June 2025. Customer deposits were lower than 31 December 2025, primarily reflecting seasonal movements in corporate balances while retail deposits increased.

Capital ratios remained strong and comfortably above the regulatory requirements. Common equity tier 1 capital was 24.7% as at 30 June 2026 (compared to 24.1% at the end of 2025) and the total capital ratio was 27.8% (compared to 27.1% as at 31 December 2025).

The Board recommended an interim gross quarterly dividend of €0.043 per share, equivalent to a gross dividend of €15.5million. This represents a 60% payout of the profits after tax, adjusted for the employee benefits expense related to the industrial dispute. The interim dividend will be paid on 23 September 2026 to shareholders who are on the bank’s register of shareholders on 18 August 2026.

## Corporate Matters

In December 2025, HSBC Bank Malta p.l.c. was awarded the Bank of the Year by the Banker, the Financial Times internationally renowned publication covering global banking and financial affairs. HSBC Malta’s recognition reflects the bank’s significant progress across key performance metrics, including earnings growth, capital strength, operational efficiency, and continued investment in digital and technological capabilities. In January 2026, the bank celebrated this recognition at a landmark customer event. A further customer event was held in June 2026 to thank valued customers for their continued trust.

HSBC Bank Malta p.l.c. and the HSBC Malta Foundation have won the Corporate Award for Environmental Innovation and Sustainability in the Private Sector at the 2026 Environment and Resources Authority Awards, recognising the bank’s work on Maximising Energy Efficiency Through Sustainable Building Renovation at the HSBC Hub in Qormi. The project is a €30million sustainable retrofit transforming an existing office complex into one of Malta’s most energy-efficient corporate buildings.

The proposed transition to a new majority shareholder, CrediaBank, subject to regulatory approvals, is progressing and the bank’s employees remain focused on serving customers. HSBC Malta is working closely with its existing majority shareholder, HSBC Continental Europe and CrediaBank, to ensure a smooth and orderly transition; one that safeguards the stability and continuity of the bank for its customers, colleagues, and shareholders.

A bank wide townhall held in May 2026, themed ‘Making it Happen’, brought colleagues together and reinforced key strategic messages.

## Customer and Business Initiatives

### *Retail Banking and Wealth Management, Insurance and Asset Management*

The bank remained focused on deepening customer relationships by delivering strong service, supporting customer acquisition and enhancing its proposition.

Retail deposit balances grew during the first half of the year, and new retail lending increased by 27% compared with the same period last year.

Wealth investment sales achieved double-digit growth year on year, reflecting the bank’s focus on supporting customers’ financial planning needs through protection, regular savings and investment solutions, complemented by HSBC’s asset management and insurance capabilities.

Marketing activity continued across multiple channels, with a focus on lending as well as wealth and insurance solutions. In April 2026, eight new Target Dated Funds were added to complement the HSBC Life Pension product platform, helping customers plan more easily for retirement.

The bank continued to provide tailored credit solutions, including the selective reintroduction of mortgage fixed-rate offers, while maintaining disciplined pricing and credit standards to support long-term sustainability.

Branch modernisation also progressed. Refurbishment works at the Rabat Branch were completed in May 2026, delivering an enhanced in-branch experience with improved consultation privacy and wheelchair accessibility. Works at the Gżira branch have commenced, with measures in place to minimise inconvenience as the bank continues to service its customers.

Service levels remained a priority, with continued focus on maintaining fast turnaround times for credit applications and customer enquiries through the Contact Centre and secure messaging.

### *Corporate and Institutional Banking*

During the first half of 2026, the bank continued preparations for its next phase of growth, maintaining proactive customer engagement while sustaining high-quality day-to-day service delivery.

Business activity remained robust. New lending increased by 75% compared with the same period last year despite a competitive environment, supported by a strong pipeline expected to progress in the coming months. This activity supported customers across sectors including hospitality, real estate, retail and manufacturing.

The bank also renewed its Gold Sponsorship Agreement with The Malta Chamber of Commerce, Enterprise and Industry, reinforcing its commitment to supporting Malta’s business community through collaboration, knowledge exchange and sustainable economic growth.

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**About HSBC Bank Malta p.l.c.**
HSBC Bank Malta p.l.c. is a member of the HSBC Group, whose ultimate parent company is HSBC Holdings plc. HSBC Malta provides a comprehensive range of banking and financial services which are all designed to meet the expanding requirements of its large client base of personal and corporate customers. These include International Wealth and Premier Banking and Corporate and Institutional Banking. Registered in Malta number C3177. Registered Office: 116, Archbishop Street, Valletta VLT 1444, Malta. HSBC Bank Malta p.l.c. is regulated and licensed to carry out the business of banking and investment services in terms of the Banking Act (Cap. 371 of the Laws of Malta) and the Investment Services Act (Cap. 370 of the Laws of Malta) by the Malta Financial Services Authority.

**HSBC Holdings plc**
HSBC Holdings plc, the parent company of HSBC, is headquartered in London. With assets of US$3.4 trillion at 30 June 2026, HSBC is one of the world’s largest banking and financial services organisations.
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