HSBC

News Release

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HSBC Malta - strong and resilient results continued through Q3 2026

HSBC Bank Malta p.l.c. maintained a solid financial performance during the first nine months of 2026 and continued to reward shareholders with a gross dividend of 4.6c per share, bringing the year-to-date gross dividend to 12.5c per share.

Geoffrey Fichte, the Chief Executive Officer of HSBC Bank Malta p.l.c., said: "Our Bank delivered a strong and resilient performance during the first nine months of 2026 with adjusted profit before tax of €80m. This was supported by growing customer demand, very strong capital and liquidity positions and the recovery of legacy non-performing loans. While profitability was affected by market volatility and notable expenses, our balance sheet continued to grow from same period last year.

"I'm pleased to report customer deposit growth and an 8% increase in wealth management balances over same period last year. We achieved strong growth in insurance business, wealth and investment sales, with double digit growth in new home loans and personal loans.

"We remain focused on supporting our customers as we progress towards a new majority shareholder, CrediaBank, subject to regulatory approval. Both HSBC and CrediaBank are committed to ensuring a smooth and orderly changeover."

Financial Performance

Profit before tax was €69.8m for the nine months ended 30 September 2026, representing a 15% decrease compared with the same period in the prior year. The reduction mainly reflected the lower average interest rates, market volatility and the impact of notable expenses. These factors were partly offset by progress in the recovery of legacy non-performing loans, including a material recovery during the period under review. Adjusted Profit before tax was €79.7m, a decrease of 3% compared with the same period last year.

In line with Company Announcement HSBC467, the Bank continues to pay dividends quarterly. The Directors are therefore approving the payment of a gross interim dividend of 4.6 cents per share, representing a 60% payout of profit after tax, excluding the employee-benefits expense referred to in Company Announcement HSBC469. The dividend will be paid on 11 December 2026 to shareholders registered on the Bank's shareholder register as at 10 November 2026.

Revenue decreased by €7.8m, or 5%, compared with Q3 2025 YTD. This was primarily due to lower returns from the insurance subsidiary, which decreased by €4.1m as a result of significant market fluctuations during the period; lower net interest income, which dropped by €2.2m owing to lower average market interest rates; and a €1.4m reduction in trading income, following the exceptionally high level recorded in the same period last year. From an underlying business perspective, the insurance subsidiary recorded higher gross written premiums compared with Q3 2025 YTD. Wealth sales also continued to show strong growth, despite heightened market volatility and its impact on investor sentiment. This performance was supported by ongoing marketing activity focused on Wealth Management. Trade Finance maintained its strong momentum in Q3 2026, supported by new client onboarding and higher utilisation of existing facilities. Guarantees were the standout performer, achieving growth on the back of rising demand from both domestic and international clients.

The Bank recorded a release of expected credit losses ("ECL") of €6.9m, compared with a release of €4.6m in Q3 2025 YTD. The ECL release during the period was mainly driven by the recovery of a long-outstanding non-performing corporate loan and improved credit quality in the retail portfolio. ECL calculations continued to reflect elevated global uncertainty and geopolitical risks, while the Maltese economy remained resilient.

Operating costs increased by €7.3m, or 8%, compared with Q3 2025 YTD. The increase was primarily driven by notable expenses of €9.9m. These mainly comprised accelerated software amortisation following a revision to the estimated useful life of the relevant assets due to the transition to CrediaBank and staff-related payments connected with the industrial dispute with the Malta Union of Bank Employees ("MUBE"), as announced in Company Announcement HSBC469. These costs were partly offset by lower staff costs resulting from costs recovered in relation to the transition programme, as well as net savings in other operating expenses, particularly professional fees.

Net loans and advances to customers decreased by €68m compared with 31 December 2025. Corporate lending remained broadly stable over this period. Although overall retail lending balances were slightly lower than at year-end, the Bank achieved double-digit growth in new personal lending, including home loans, compared with Q3 2025 YTD.

Retail and commercial deposits increased by a combined €261m when compared to the same period last year, even if overall deposits are lower than balances as at 31 December 2025 due to seasonal movements in corporate deposits.

The Bank's liquidity position remained strong, and its capital ratios continued to exceed regulatory requirements by significant margins.

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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
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