Award in Office Management & Administration Fundamentals

Lecture 1:
Basic Bookkeeping

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Tuesday 6 October 2026

Today’s programme

Topic
Part 1: daily financial administration
Part 2: recording and accounting reports
Part 3: financial statements and recap

Learning outcomes

- Follow daily financial processes and recognise their documents
- Understand organisations, obligations and accounting concepts
- Use double entry and distinguish cash from accrual accounting
- Compare management accounting with financial accounting
- Read a simple income statement and financial position

A complete audit trail links the event, the document and the record.

Part 1

Daily financial administration

The office as an information hub

Everyday office administration

- Manage correspondence, calendars and deadlines
- Coordinate customers, suppliers and departments
- Process documents and maintain accessible records
- Support purchasing, payroll and financial administration
- Protect confidential information and follow up unfinished work

Assign an owner and a due date to every action.

Business organisations

Organisation	Basic structure	Office implications
Sole trader	An individual operates a business	Separate business and personal records
Partnership	Partners operate under an agreement	Check authority and partner transactions
Limited company	A separate legal entity with shareholders (max. 50)	Identify directors and approval powers
Public company	A separate legal entity with infinite no. of shareholders	Manage a separate Shareholders' Office
Cooperative	Members organise a shared enterprise	Follow its rules and reporting arrangements

The organisation behind each transaction

- Use the correct legal name and business identifiers
- Know who can sign contracts and approve payments
- Identify ownership, directors or other responsible officers
- Separate owner transactions from business expenses
- Check the organisation’s reporting and record requirements

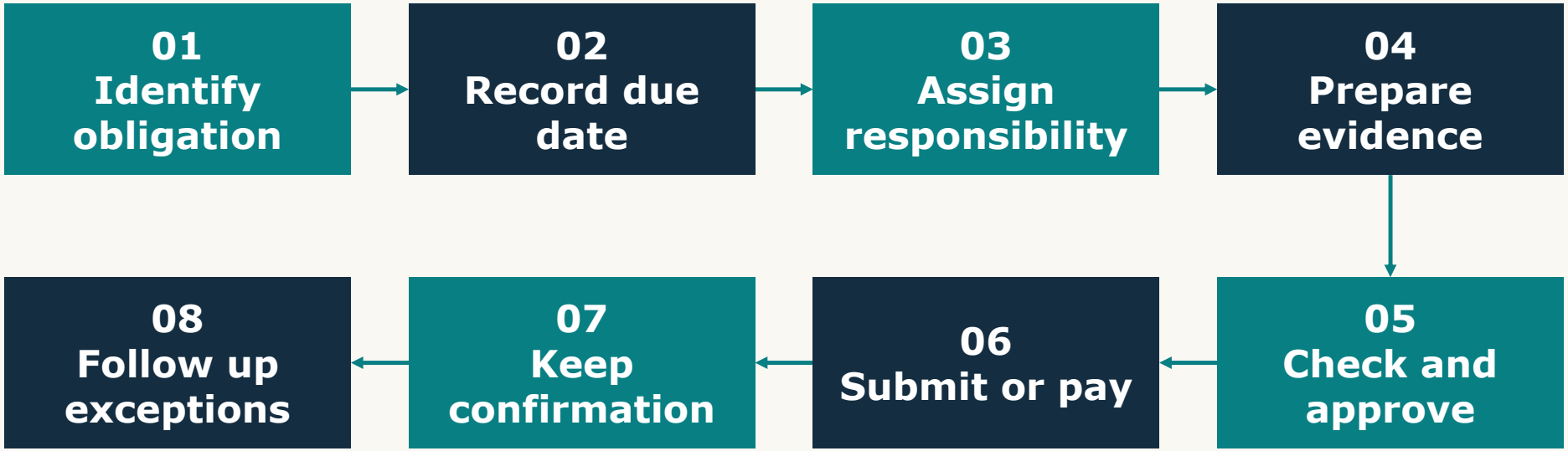
A trading name may differ from the legal entity that owes or receives money.

The accounting environment

Financial obligations in daily work

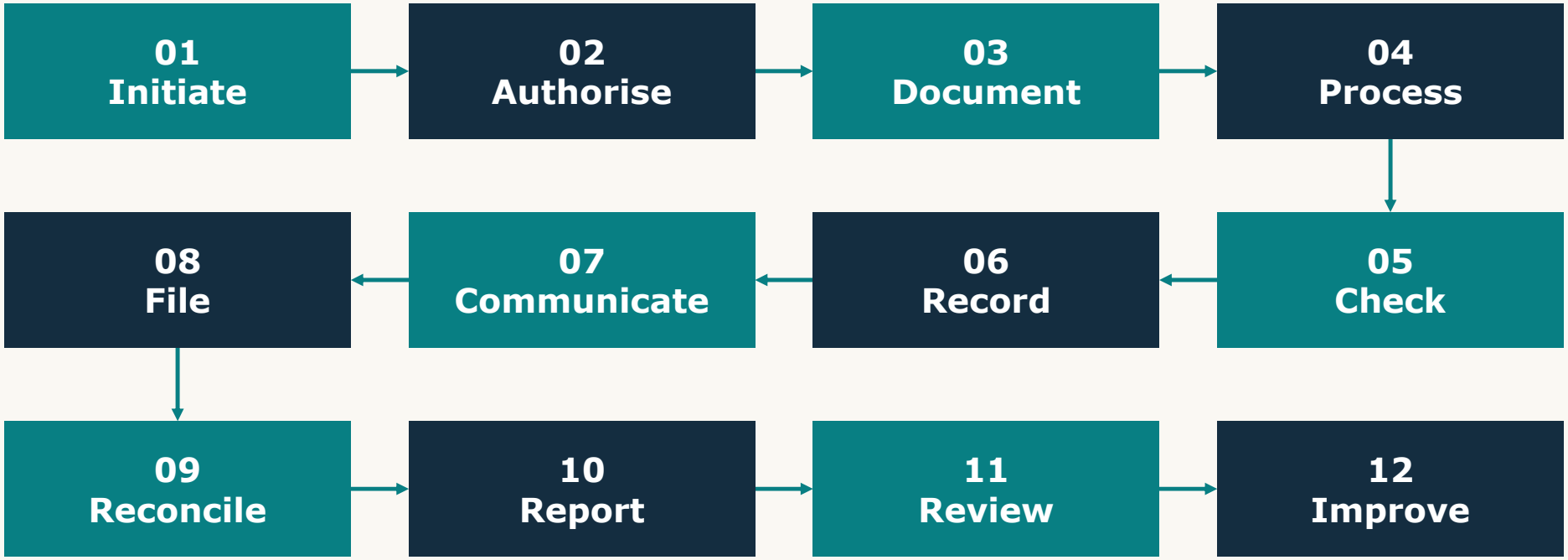
Obligation	Administrator’s contribution
Suppliers and contracts	Track due dates, approvals and payment evidence
Employees and payroll	Provide approved time, changes and expense claims
Taxes and statutory reporting	Supply records and monitor assigned deadlines
Banks and lenders	Retain statements and track agreed repayments
Owners and management	Prepare complete records and regular reports

The financial deadline process



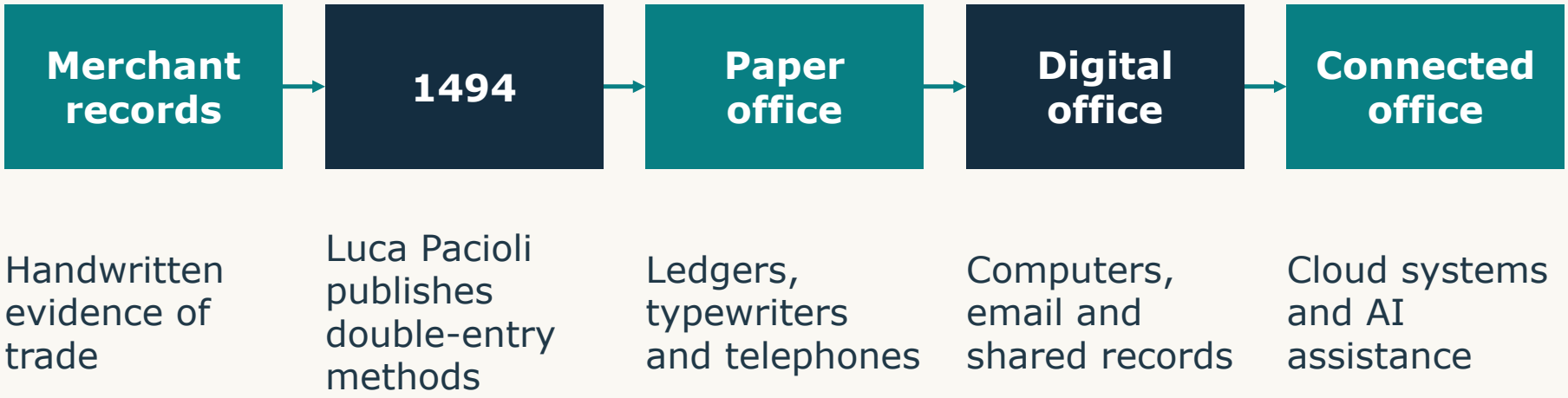
Use a deadline register for invoices, payroll and statutory submissions.

The office operation cycle



A common framework that adapts to the task

A short history of records and offices



The office then and now

Traditional office

- Paper files and handwritten ledgers
- Postal correspondence and manual diaries
- Cash, cheques and manual calculations

Modern office

- Shared digital records and accounting systems
- Email, electronic calendars and remote access
- Electronic payments and automated calculations

Technology and responsibility

- Authorise transactions before committing funds
- Check documents even when a system captures them
- Restrict access to payments and confidential records
- Review automated classifications and exceptions
- Keep evidence of who approved, changed and checked the record

Automation supports work. People retain responsibility.

Bookkeeping and accounting

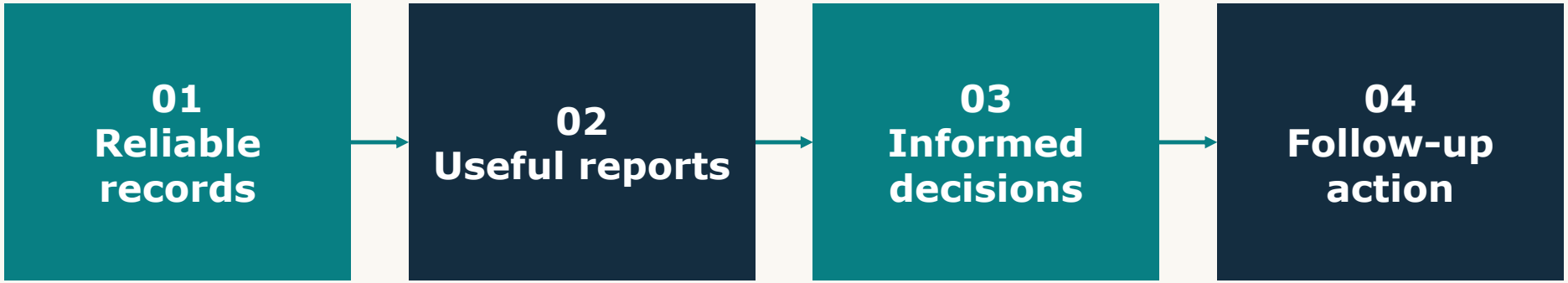
Bookkeeping

- Record transactions
- Process source documents
- Maintain ledgers and balances
- Reconcile bank and supplier accounts

Accounting

- Summarise and adjust records
- Prepare financial statements
- Analyse performance and position
- Explain results and support decisions

Why accounting records matter



Who owes us? What do we owe? Can we pay? Are we profitable?

The language of accounting

Term	Meaning	Example
Asset	Resource the business controls	Bank balance or equipment
Liability	Present obligation of the business	Supplier balance or loan
Equity	Assets less liabilities	Owner’s residual interest
Revenue	Income from ordinary business activity	Service fees
Expense	Cost recognised in earning income	Rent or electricity
Receivable / debtor	Amount a customer owes	Unpaid sales invoice
Payable / creditor	Amount due to a supplier	Unpaid purchase invoice

The business entity concept

Business records

- Business bank account
- Sales and supplier invoices
- Approved business expense claims
- Capital introduced and drawings identified

Personal transactions

- Household bills
- Personal holidays and shopping
- Private bank transactions
- Recorded separately from operating expenses

Accounting Principles

Consistency

- Apply accounting policies consistently
- Support comparisons between periods
- Explain justified policy changes
- Keep treatment clear and documented

Relevance

Prudence

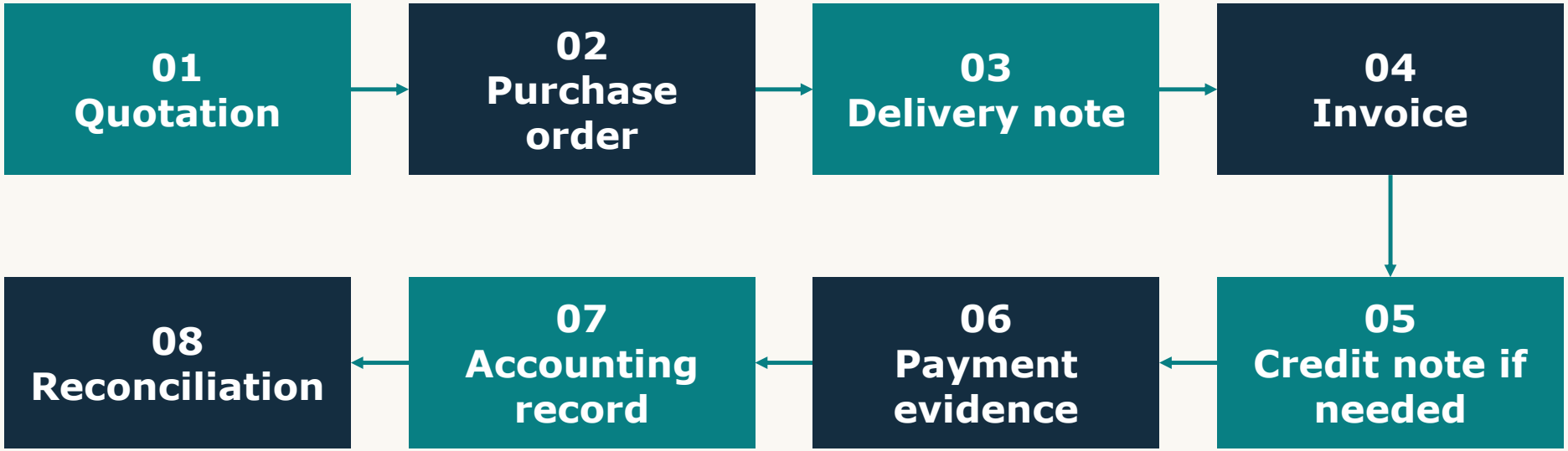
- Exercise caution under uncertainty
- Support neutral, evidence-based estimates
- Avoid overstating or understating figures
- Investigate doubtful customer balances

Reliability

Other accounting concepts

Concept	Practical meaning
Going concern	Accounts usually assume continuing operations
Materiality	Focus on information that could affect decisions
Historical cost	One measurement basis, using transaction cost
Matching	Recognise related income and costs appropriately
Accruals	Include all transactions that hit the period
Money Measurement	Record only transactions with a value
Faithful representation	Complete, neutral information with no material error
Substance over form	Record the economic effect of the transaction

Documents along the transaction



Some documents authorise action. Others support an accounting entry.

Quotation

QUOTATION Q-025

Harbour Office Supplies • To: Meridian Office Services
5 December 2025 • Valid for 30 days

Description	Qty	Unit price	Net
Office chair	8	€250	€2,000

Net €2,000 VAT 18% €360 Total €2,360

Document checks

- Compare price and specification
- Check delivery time and conditions
- Review validity and payment terms
- Obtain approval before ordering

Purchase order

PURCHASE ORDER PO-125

Buyer: Meridian Office Services
Supplier: Harbour Office Supplies • 8 December 2025

Description	Qty	Unit price	Net
Office chair	8	€250	€2,000

Approved net commitment €2,000 + applicable VAT

Document checks

- The buyer issues the order
- Record the authorised quantity and price
- State the delivery address and reference
- Retain the approval with the order

Delivery note

DELIVERY NOTE DN-098

Harbour Office Supplies • Customer: Meridian Office Services
12 December 2025 • Reference PO-125

Item	Ordered	Delivered	Condition
Office chair	8	8	Good

Received by: office administrator Date: 12 December 2025

Document checks

- Count the goods received
- Inspect condition before acceptance
- Note shortages or damage
- Match the delivery reference to the order

Invoice

INVOICE INV-458

Harbour Office Supplies • To: Meridian Office Services
12 December 2025 • PO-125 • Due: 11 January 2026

Description	Qty	Unit price	Net
Office chair	8	€250	€2,000

Net €2,000 VAT €360 Amount due €2,360

Document checks

- Check supplier, customer and references
- Check quantity, unit price and arithmetic
- Verify VAT treatment and payment terms
- Check for a previous entry or payment

A simple VAT calculation

Net price		VAT at 18%		Gross amount
€1,200	+	€216	=	€1,416

€1,200 × 18% = €216. Gross = €1,200 + €216.

Credit note

CREDIT NOTE CN-041

Harbour Office Supplies • Original invoice INV-458
15 December 2025 • Reason: one chair returned

Description	Qty	Net	VAT
Office chair returned	1	€250	€45

Credit €295 Revised balance due €2,065

Document checks

- Link the credit to the original invoice
- Confirm the reason and amount
- Adjust the supplier balance and VAT
- Keep the return evidence

Receipt and payment confirmation

PAYMENT CONFIRMATION PAY-072

Meridian Office Services • To: Harbour Office Supplies
9 January 2026 • References INV-458 and CN-041

Method	Amount	Reference
Bank transfer	€2,065	PAY-072

Supplier receipt confirms settlement of €2,065

Document checks

- Link the payment to the correct invoice
- Check payee, date and amount
- Keep bank evidence and remittance advice
- Distinguish an invoice from proof of payment

Bank statement

BANK STATEMENT EXTRACT

Fictional business account • January 2026
Bank balance viewed from the customer's perspective

Date	Description	Money out	Balance
1 Jan	Opening balance	—	€5,000
9 Jan	Harbour Office Supplies	€2,065	€2,935
31 Jan	Bank charge	€20	€2,915

Reconcile with the cash book

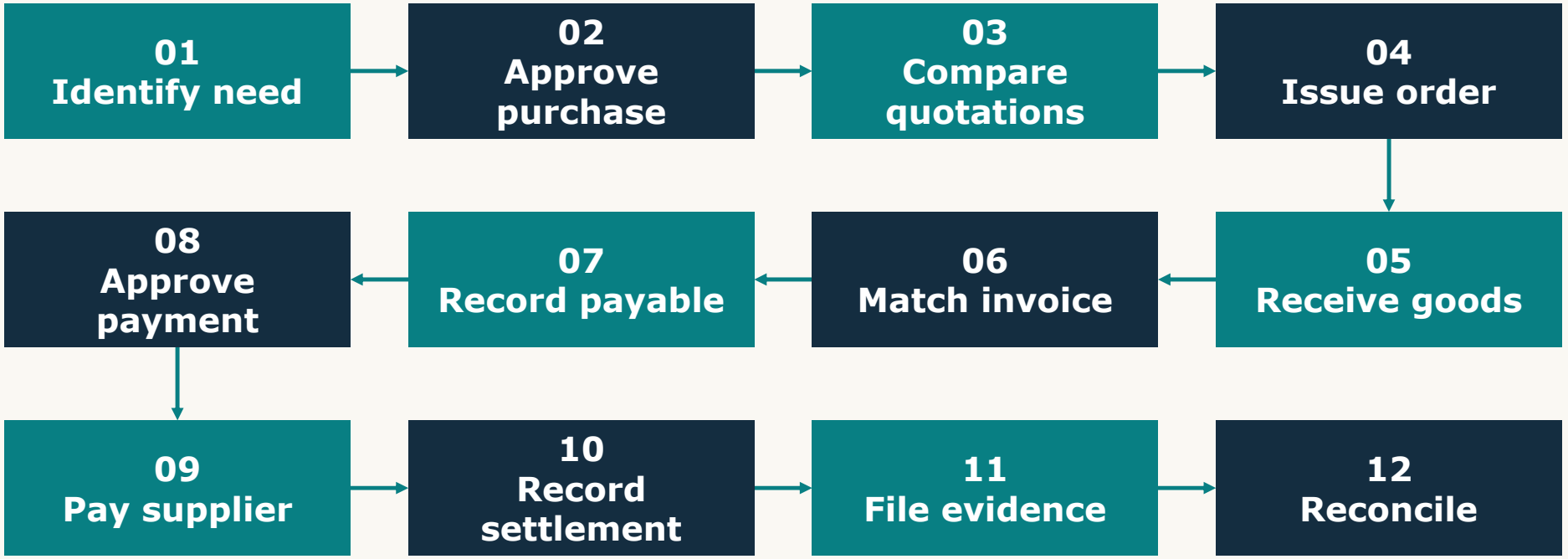
Document checks

- Find omitted charges and receipts
- Identify timing differences
- Investigate unfamiliar payments
- Reconcile to the ledger balance

Other documents bookkeepers handle

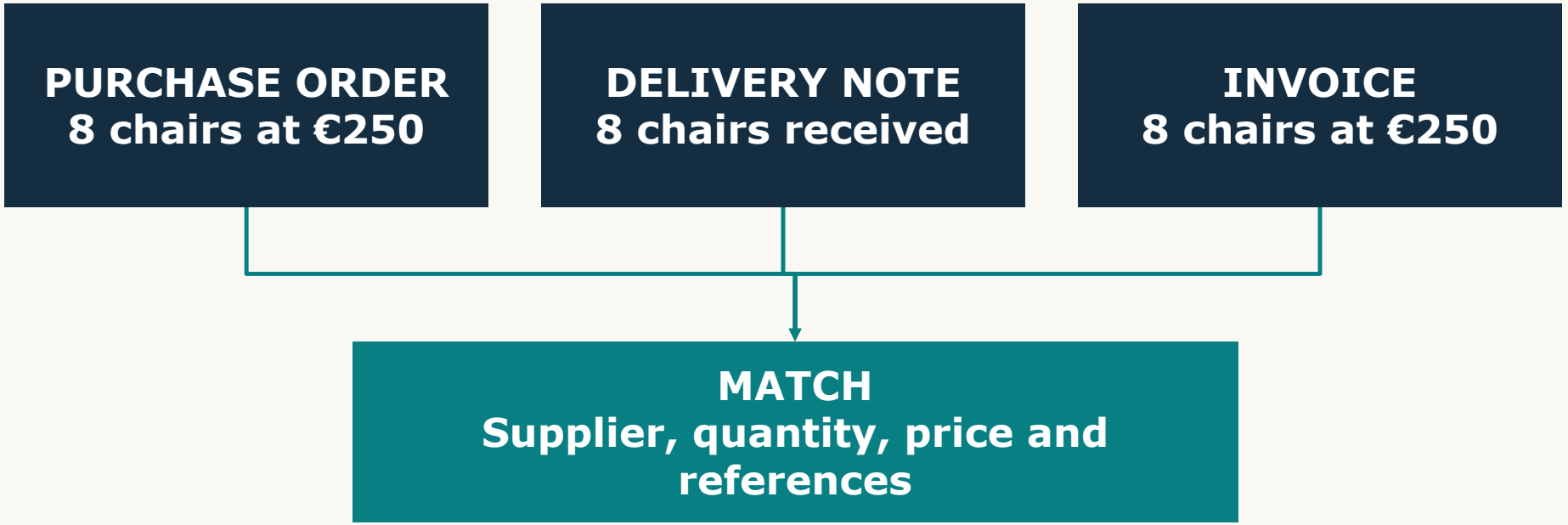
Document	What it supports	Common check
Expense claim	Employee reimbursement	Receipt, purpose and approval
Payroll record	Gross pay, deductions and net pay	Authorised time and employee data
Petty cash voucher	Small cash payment	Receipt and cash balance
Supplier statement	List of invoices and credits	Reconcile with supplier ledger
Customer statement	Outstanding customer balance	Follow up disputed and overdue items
Journal support	Accruals and other adjustments	Calculation, explanation and approval

The purchasing cycle



Each stage leaves evidence and a responsible person

Three-way matching



For services, use approved evidence of completion.

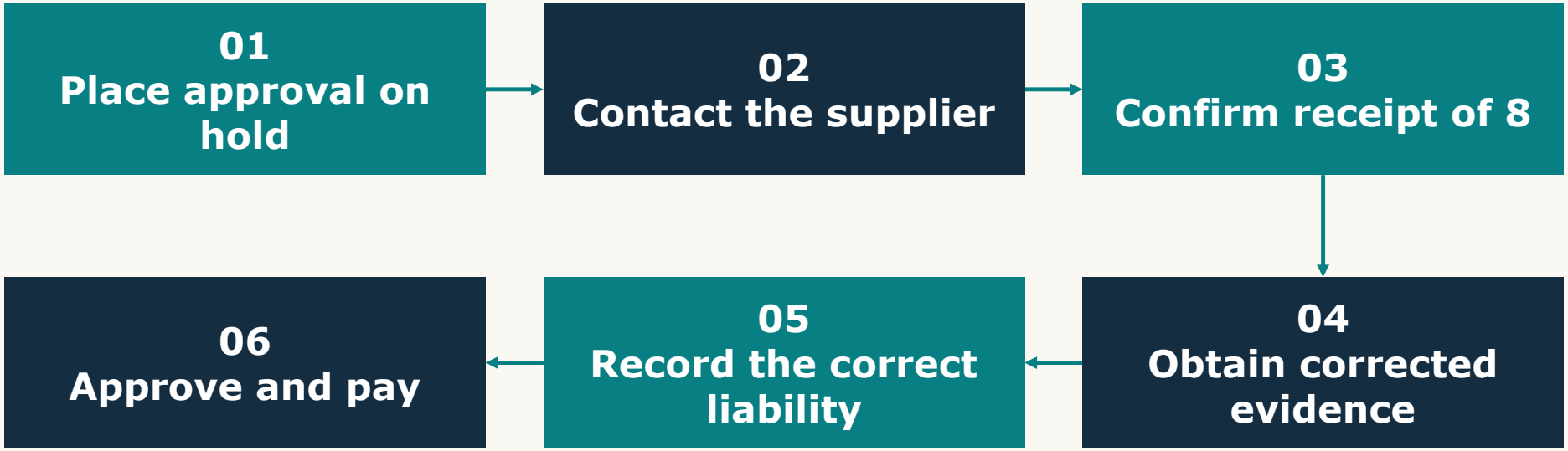
Exercise: the chair invoice

The order is for 8 chairs at €250 each.
The delivery note records 8 chairs.
The invoice charges 10 chairs at €250.

- What discrepancy can you see?
- Would you approve the invoice?
- Which documents would you retain?

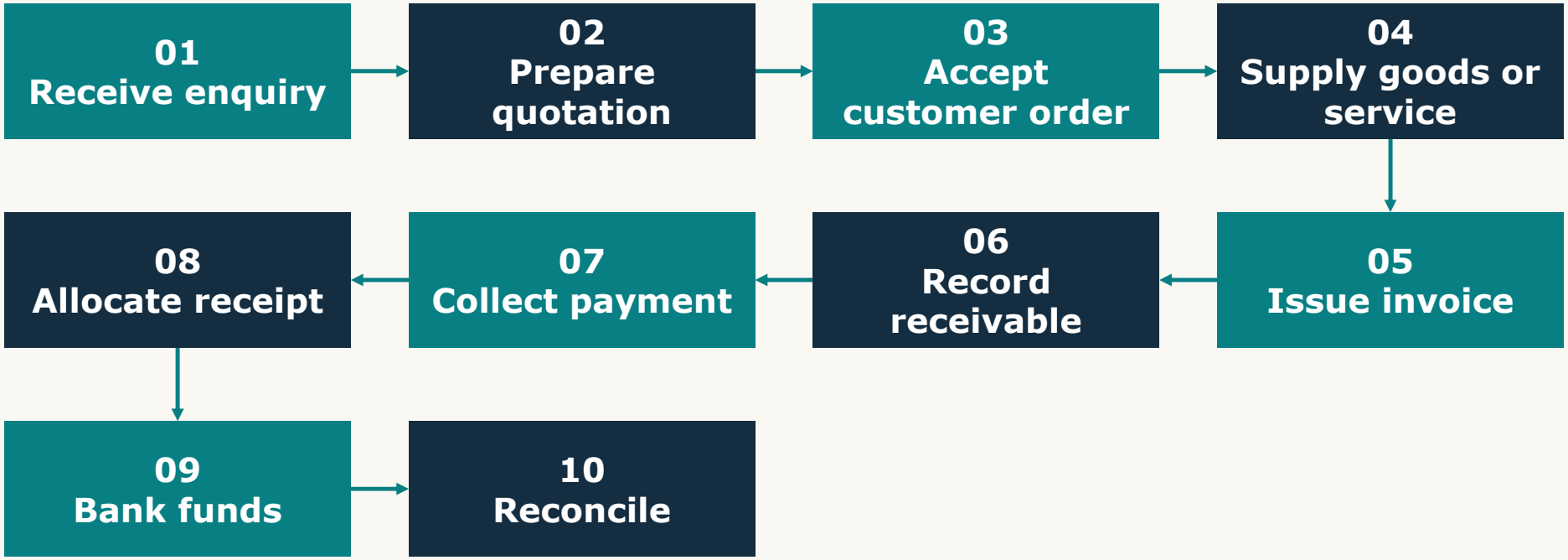
Pause approval and investigate the extra 2 chairs.

The chair discrepancy: resolution



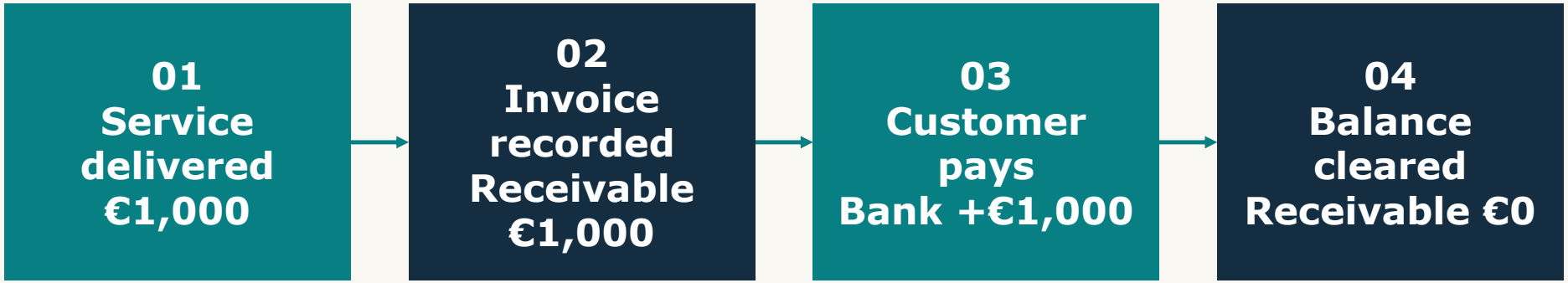
A credit of €500 net + €90 VAT corrects the original overcharge.

The sales cycle



Check completeness of billing and follow up overdue balances

Credit sale and collection

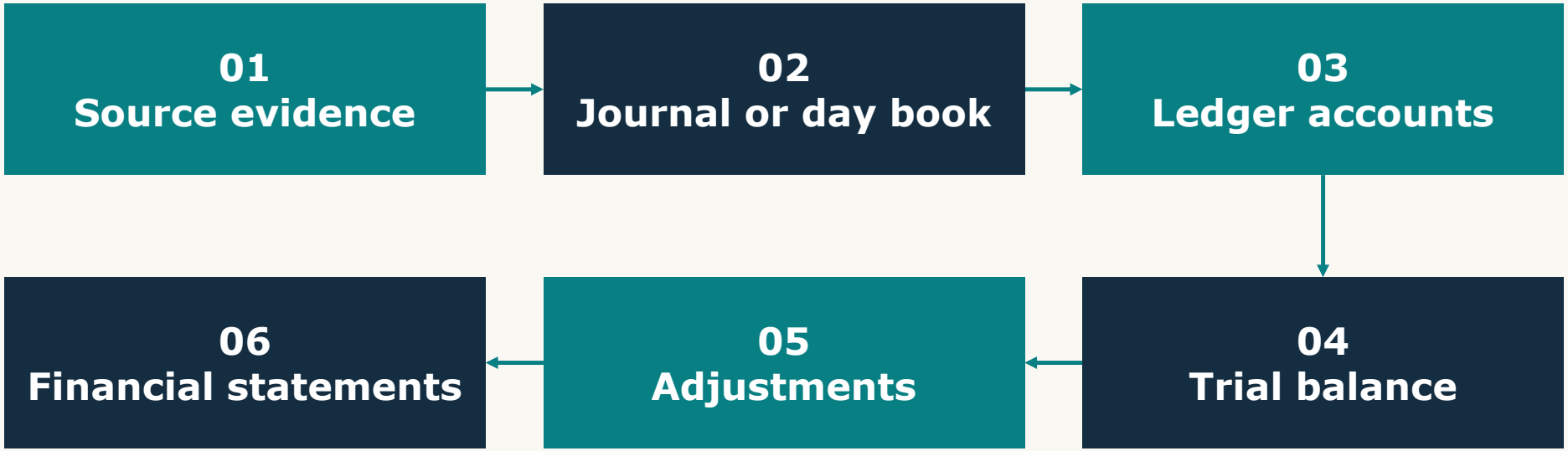


Revenue arises once. The later receipt settles the receivable.

The daily books of original entry

Book	What enters it	Typical evidence
Sales day book	Credit sales invoices	Issued invoice
Purchases day book	Credit purchase invoices	Supplier invoice
Returns books	Sales and purchase credits	Credit note
Cash book	Money received and paid	Receipt or bank record
Petty cash book	Small cash payments	Voucher and receipt
General journal	Adjustments and other entries	Approved journal support

Documents, day books and ledgers



Software automates posting while preserving the underlying logic

Exercise: bank reconciliation

Cash book balance: €3,000
Bank statement balance: €2,700
Bank charge €20 appears only on the statement
Customer deposit €280 has not yet cleared

- Which item requires a cash book entry?
- Which item is a timing difference?
- What is the reconciled bank balance?

Adjusted cash book €2,980 = statement €2,700 + deposit €280.

Bank reconciliation: worked answer

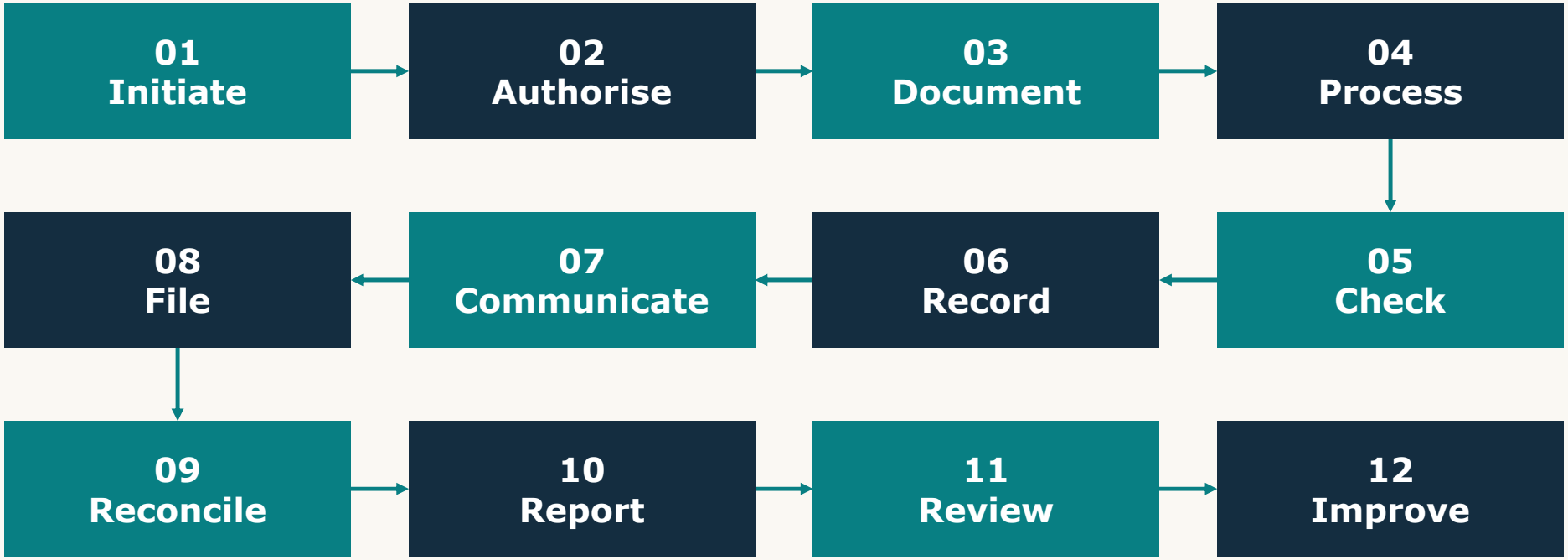
Update the cash book

- Opening cash book balance: €3,000
- Record bank charge: −€20
- Adjusted cash book: €2,980
- Debit bank charges, credit bank €20

Explain the statement difference

- Statement balance: €2,700
- Add deposit in transit: €280
- Adjusted statement: €2,980
- Check that the deposit clears afterwards

The universal office cycle in practice



Use the same control questions for financial and non-financial work

The cycle across office operations

Operation	Initiate and authorise	Process and check	Record and review
Payroll	Approved staff and time	Calculate pay and verify changes	Payroll records and bank reconciliation
Leave request	Employee applies, manager approves	Check balance and staffing	Update register and notify employee
Customer complaint	Log issue and assign owner	Investigate and agree response	Record outcome and recurring causes
Stock movement	Authorised transfer request	Count and confirm receipt	Update stock and compare physical count

Separation of duties

Different people provide independent checks

Useful office controls

- Set approval limits and retain approval evidence
- Control system access and use multi-factor authentication
- Number documents and check for missing or duplicate records
- Independently review payments and supplier changes
- Reconcile regularly and follow up unresolved differences

A control works when someone performs it and records the result.

Major wins from good administration

Routine	Benefit
Prompt entry with clear references	Fewer missing and duplicated transactions
Regular bank reconciliation	Earlier discovery of errors
Debt follow-up and customer statements	Better collection and cash planning
Supplier statement checks	Credits and incorrect balances identified
Documented approval and matching	Lower risk of incorrect payment
Task ownership and clear deadlines	Fewer overdue actions

Common bookkeeping pitfalls

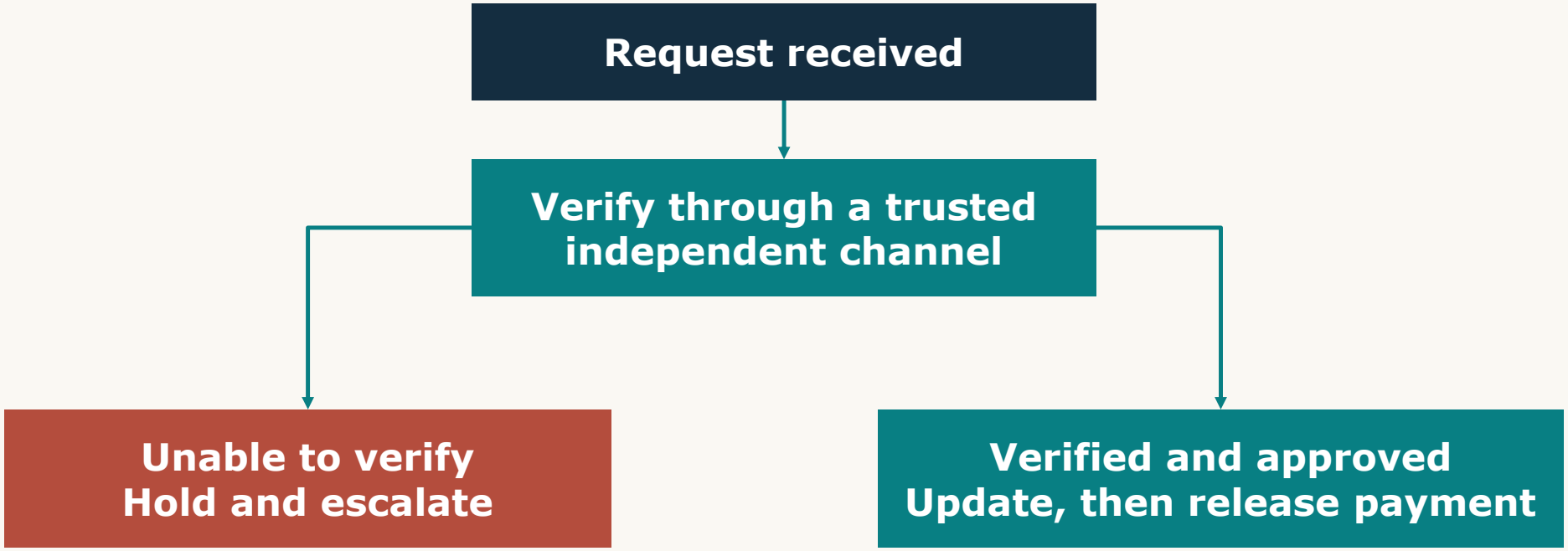
Pitfall	Practical prevention
Duplicate or omitted invoice	Search invoice number and track incoming documents
Wrong account, date or amount	Check evidence and review unusual postings
Incorrect VAT treatment	Use verified tax codes and resolve uncertainty
Ignored credit note	Match supplier statements and return records
Wrong payment allocation	Use customer and invoice references
Unrecorded bank charges	Reconcile against the bank statement

Fraud warning signs

- Unexpected bank-detail changes
- Urgent requests to bypass approvals
- Unfamiliar suppliers or unexplained refunds
- Duplicate invoices and missing evidence
- Payments repeatedly just below approval limits

A warning sign is a reason to investigate.

A request to change supplier bank details



The contact details in the request are not independent verification.

Filing, confidentiality and backups

- Use meaningful filenames, dates and transaction references
- Link approvals, invoices, credits and payments
- Limit access to authorised personnel
- Retain records under the applicable rules and policy
- Back up protected data and test restoration

Example filename: 2025-12-12_Harbour_INV458_PO125

Accounting software and AI assistance

Systems can assist

- Capture documents and post approved entries
- Match bank transactions and produce reports
- Flag duplicates and unusual amounts
- Draft correspondence and help find records

People must still

- Verify amounts and classifications
- Judge exceptions and authorise payments
- Protect confidential information
- Review output and accept responsibility

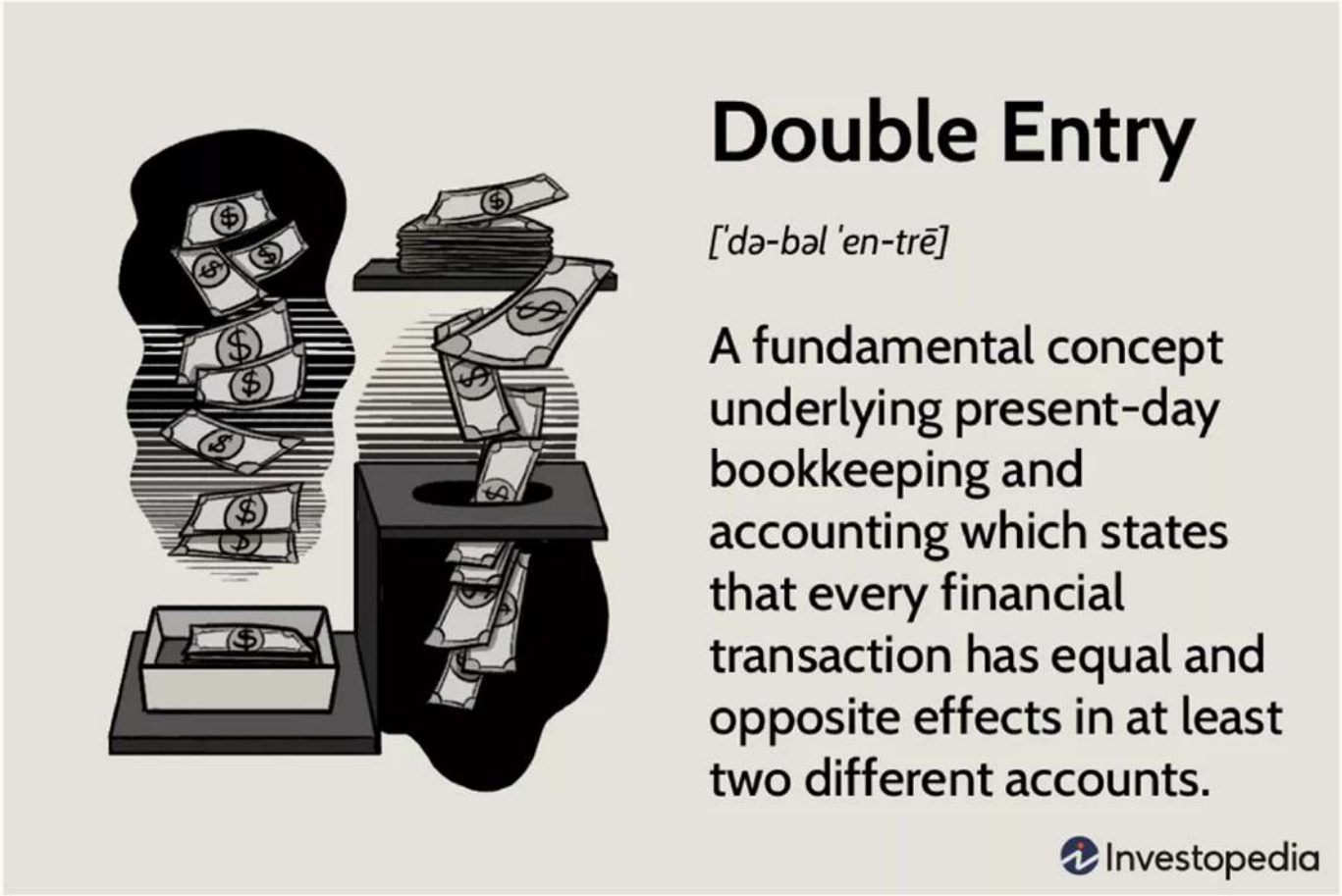
15-minute break

Next: double entry, cash versus accrual and accounting reports

Part 2

Recording transactions and accounting reports

Double entry



The double-entry principle

Every transaction has at least two effects

DEBIT		CREDIT
TOTAL DEBITS **Equal amount**	=	**TOTAL CREDITS** **Equal amount**

Debit means the left side. Credit means the right side.

Debit and credit rules

Account type	Increase	Decrease
Asset	Debit	Credit
Expense	Debit	Credit
Liability	Credit	Debit
Equity	Credit	Debit
Revenue	Credit	Debit

Cash purchase of equipment

The business pays €2,000 for equipment

DEBIT		CREDIT
Equipment €2,000	=	**Bank €2,000**

An asset increases. Another asset decreases.

Payment of electricity

The business pays a €500 current-period electricity bill

DEBIT		CREDIT
Electricity expense €500	=	**Bank €500**

An expense increases. Bank decreases.

Cash sale of a service

The business receives €1,000 for a service delivered

DEBIT		CREDIT
Bank / cash €1,000	=	**Service revenue €1,000**

Bank increases. Revenue increases.

Exercise: laptop bought on credit

A laptop costs €1,200 + 18% VAT.
The supplier allows 30 days to pay.
Assume the VAT is fully recoverable.

- Which documents support the purchase?
- What is the supplier balance?
- Which accounts receive debits and credits?

Supplier balance €1,416. Bank does not change at purchase.

Laptop: purchase and later payment

At purchase	Debit	Credit
Equipment	€1,200	—
Input VAT recoverable	€216	—
Trade payables	—	€1,416

On payment	Debit	Credit
Trade payables	€1,416	—
Bank	—	€1,416

If VAT is not recoverable, include it in the equipment cost.

Cash accounting and accrual accounting

Cash basis

- Record income when cash is received
- Record costs when cash is paid
- Timing follows the movement of money
- Can obscure unpaid income and costs

Accrual basis

- Recognise income when earned
- Recognise costs when incurred
- Show receivables, payables and adjustments
- Timing follows the economic activity

Accrual accounting

December	31 December	January	February
The office uses electricity	Recognise the December cost	The supplier sends the bill	The business pays the supplier

Recognise the cost in the period it relates to.

Cash versus accrual: a worked example

Transaction	Cash view in December	Accrual view in December
Service delivered, invoice €1,000	€0 received	Revenue €1,000
December expense, paid in January	€0 paid	Expense €300
December result for these items	€0 net cash movement	€700 profit

January collection and payment settle the balances already recorded.

Profit and cash

Profit example

- Service delivered on credit: €1,000
- Related expense paid: €300
- Profit from these transactions: €700
- Customer has not yet paid

Cash example

- Cash collected from customer: €0
- Cash paid for the expense: €300
- Net cash movement: −€300
- Receivable outstanding: €1,000

Ledger accounts group transactions

BANK

Debit €	Credit €
Capital 10,000	Equipment 2,000

Debit balance €8,000

EQUIPMENT

Debit €	Credit €
Bank 2,000	

Debit balance €2,000

CAPITAL

Debit €	Credit €
	Bank 10,000

Credit balance €10,000

Bank €8,000 + equipment €2,000 = capital €10,000

Trial balance at 31 December 2025

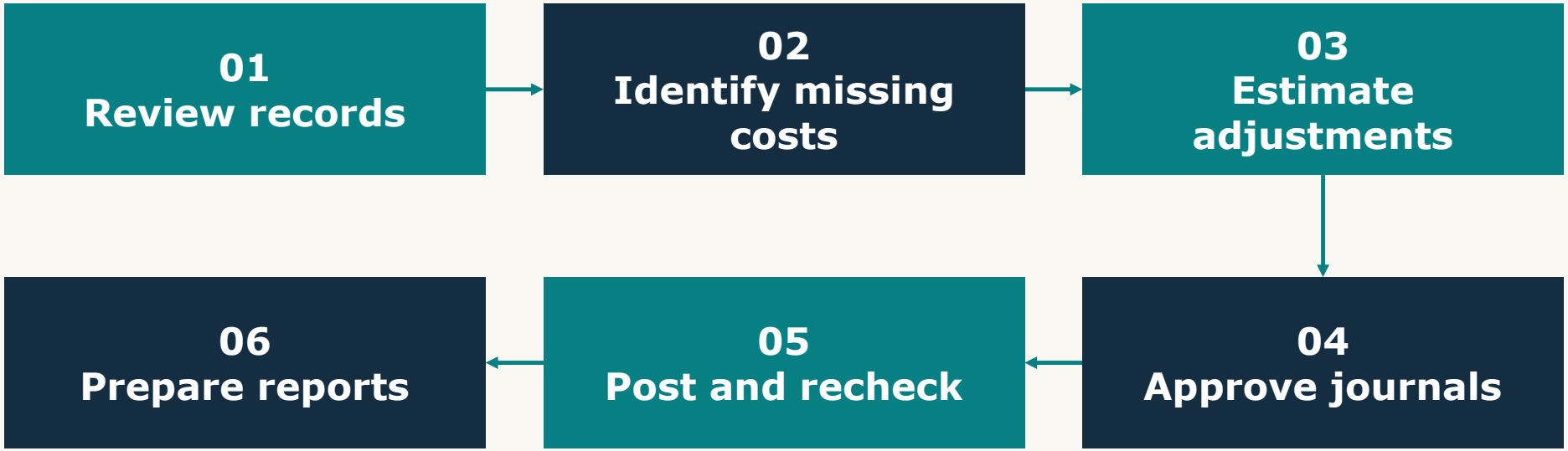
Account	Debit €	Credit €
Bank	8,000	—
Equipment	2,000	—
Owner’s capital	—	10,000
TOTAL	10,000	10,000

A balanced trial balance checks equality, not complete accuracy.

Errors a trial balance may miss

Error	Example	Still balanced?
Complete omission	A cash expense never entered	Yes
Wrong account	Rent recorded as electricity	Yes
Complete reversal	Debit and credit swapped	Yes
Duplicate balanced entry	Same invoice entered twice	Yes
Same wrong amount	Both sides entered as €550, not €500	Yes

Period-end review and adjustments



Examples: accruals, prepayments, depreciation and doubtful debts

Management accounting

- Provide internal information for planning and decisions
- Prepare budgets and cash forecasts
- Compare actual results with plans
- Analyse costs by department, activity or service
- Combine financial data with operational measures

Example: can the office afford an additional administrator?

Financial accounting

- Record and summarise the organisation’s financial transactions
- Prepare financial statements under the applicable framework
- Report performance and financial position for defined periods
- Support owners, lenders and other external users
- Maintain evidence and consistency for reliable reporting

Example: what profit and financial position should the annual accounts report?

Management and financial accounting

Aspect	Management accounting	Financial accounting
Main audience	Internal managers	External users and management
Main purpose	Planning and decisions	Report performance and position
Time focus	Past results and future plans	Mainly completed periods
Level of detail	Department, product or activity	Organisation as a whole
Frequency	As decisions require	Defined reporting periods
Format	Tailored to the decision	Applicable reporting framework

Management report: office costs

Monthly cost	Budget €	Actual €	Variance €
Staff costs	6,000	6,400	400 adverse
Stationery	300	240	60 favourable
Utilities	500	560	60 adverse
TOTAL	6,800	7,200	400 adverse

A variance identifies a question for investigation.

Part 3

Understanding financial statements

Revenue, expenses and profit

Revenue		Expenses		Profit
€100,000	–	€75,000	=	€25,000

If expenses exceed revenue, the result is a loss.

Assets

Current assets

- Cash and bank balances
- Trade receivables
- Inventory for sale or use
- Usually realised or used in the operating cycle

Non-current assets

- Buildings and vehicles
- Computers and equipment
- Furniture and machinery
- Normally used over several periods

Liabilities

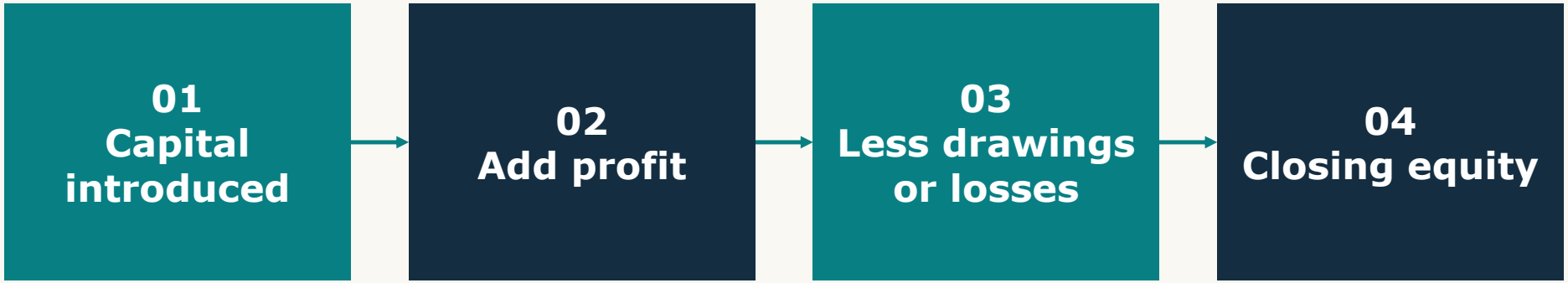
Current liabilities

- Trade payables
- Wages and taxes payable
- Short-term borrowing
- Amounts normally due soon

Non-current liabilities

- Longer-term bank borrowing
- Other long-term obligations
- Separate the current portion of a loan
- Timing affects cash planning

Owner’s equity



Equity is the owner’s residual interest after liabilities

The accounting equation

ASSETS = LIABILITIES + EQUITY

Resources controlled = outside obligations + owner's interest

Example 1: the owner invests €10,000

Bank		Liabilities		Capital
€10,000	=	€0	+	€10,000

- The business receives €10,000 into its bank account
- Assets increase by €10,000
- Equity increases by €10,000

Example 2: the bank lends €5,000

Bank		Loan		Capital
€15,000	=	€5,000	+	€10,000

- Previous bank balance: €10,000
- The loan adds €5,000 to bank and liabilities
- Equity remains €10,000

Example 3: equipment costs €3,000

Total assets		Loan		Capital
€15,000	=	€5,000	+	€10,000

- Bank falls from €15,000 to €12,000
- Equipment rises from €0 to €3,000
- Total assets remain €15,000

Income statement / profit and loss account

Fictional service business	€
Service revenue	**100,000**
Salaries	40,000
Rent	15,000
Utilities	5,000
Other expenses	15,000
Total expenses	**75,000**
Profit	25,000

Performance for the year ended 31 December 2025

Financial position at 31 December 2025

Fictional service business	€
Bank	12,000
Trade receivables	8,000
Equipment, net carrying amount	15,000
TOTAL ASSETS	**35,000**
Trade payables	5,000
Bank loan	10,000
Equity	20,000
LIABILITIES + EQUITY	**35,000**

Position at a date: assets = liabilities + equity

A complete financial reporting picture

The statements explain different aspects of the same business.

Samples of Financial Statements

The Convenience Shop (Holding) plc | Financial year 2025

STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 31 December

		Group		Company	
		2025	2024	**2025**	2024
		€	€	**€**	€
	Notes				
Revenue	4	**52,950,723**	46,378,766	**956,537**	1,788,783
Cost of sales		**(46,972,445)**	(40,481,038)	**-**	-
Gross profit		**5,978,278**	5,897,728	**956,537**	1,788,783
Administrative expenses		**(4,586,940)**	(3,960,192)	**(311,879)**	(590,718)
Operating profit	5	**1,391,338**	1,937,536	**644,658**	1,198,065
Other income	7	**863,198**	670,984	**60,000**	67,472
Finance costs	8	**(1,186,703)**	(972,782)	**(250,674)**	(250,608)
Finance income	9	**-**	-	**224,346**	318,500
Gain on disposal of property, plant and equipment		**-**	1,899	**-**	-
Profit before tax		**1,067,833**	1,637,637	**678,330**	1,333,429
Tax expense	10	**(150,751)**	(282,187)	**-**	(186,700)
Profit for the year		**917,082**	1,355,450	**678,330**	1,146,729
Profit for the year is attributable to:					
Non-controlling interest		**(18,542)**	(7,856)	**–**	–
Owners of the Company		**935,624**	1,363,306	**678,330**	1,146,729
		917,082	1,355,450	**678,330**	1,146,729
Basic earnings per share	21	**0.030**	0.044	**0.022**	0.037

The notes on pages 40 to 69 are an integral part of these consolidated financial statements.

Samples of Financial Statements

The Convenience Shop (Holding) plc | Financial year 2025

STATEMENTS OF FINANCIAL POSITION

As at 31 December

		Group		Company	
		2025	2024	**2025**	2024
		€	€	**€**	€
ASSETS	**Notes**				
Non-current assets					
Property, plant and equipment	11	**6,324,197**	5,080,347	**–**	–
Intangible assets	12	**13,956,714**	13,722,445	**4,024,525**	4,000,000
Right-of-use asset	13	**15,518,496**	11,005,357	**–**	–
Investment in subsidiaries	14	**–**	–	**321,835**	321,835
Loans receivable	15	**–**	–	**7,680,711**	7,522,091
Deferred tax asset	10	**588,451**	319,686	**–**	–
Total non-current assets		**36,387,858**	30,127,835	**12,027,071**	11,843,926
Current assets					
Inventories	16	**4,498,786**	3,797,230	**–**	–
Trade and other receivables	17	**6,779,412**	5,465,230	**449,069**	1,145,360
Cash at bank and in hand	24	**1,467,611**	2,185,761	**49,997**	5,025
Current tax receivable		**542,021**	205,104	**136,376**	187,482
Total current assets		**13,287,830**	11,653,325	**635,442**	1,337,867
TOTAL ASSETS		**49,675,688**	41,781,160	**12,662,513**	13,181,793

Samples of Financial Statements

The Convenience Shop (Holding) plc | Financial year 2025

STATEMENTS OF FINANCIAL POSITION – continued

		Group		Company	
		2025	2024	2025	2024
		€	€	€	€
EQUITY AND LIABILITIES	**Notes**				
Capital and reserves attributable to ordinary equity holders of the Company					
Share capital	18	**4,928,000**	4,928,000	**4,928,000**	4,928,000
Share premium		**1,539,087**	1,539,087	**1,539,087**	1,539,087
Retained earnings		**3,151,310**	3,262,886	**616,753**	985,623
		9,618,397	9,729,973	**7,083,840**	7,452,710
Non-controlling interest		**(45,760)**	(27,218)	**–**	–
TOTAL EQUITY		**9,572,637**	9,702,755	**7,083,840**	7,452,710
Non-current liabilities					
Borrowings	19	**7,038,332**	6,134,990	**4,910,989**	4,875,114
Lease liabilities	22	**16,415,321**	11,706,062	**–**	–
Trade and other payables	23	**–**	196,545	**–**	13,144
Total non-current liabilities		**23,453,653**	18,037,597	**4,910,989**	4,888,258
Current liabilities					
Borrowings	19	**578,730**	411,734	**1,878**	–
Bank overdraft	19, 24	**694,083**	250,695	**–**	–
Lease liabilities	22	**1,227,779**	972,500	**–**	–
Trade and other payables	23	**14,148,806**	12,405,879	**665,806**	840,825
Total current liabilities		**16,649,398**	14,040,808	**667,684**	840,825
TOTAL LIABILITIES		**40,103,051**	32,078,405	**5,578,673**	5,729,083
TOTAL EQUITY AND LIABILITIES		**49,675,688**	41,781,160	**12,662,513**	13,181,793

The notes on pages 40 to 69 are an integral part of these consolidated financial statements.

The financial statements on pages 34 to 69 were approved and authorised for issue by the Board of Directors on 30 April 2026. The financial statements were signed on behalf of the Company's Board of Directors by Charles Scerri (Chairman) and Manuel Piscopo (Executive Director) as per the Directors' Declaration on ESEF Annual report submitted in conjunction with the Annual Financial Report 2025.

Published Annual Reports

- 2025 report, published in 2026
- 202 PDF pages
- Addresses from Chairman and CEO
- Reports from Directors and Committees
- Financial Results
- Notes and Explanations

HSBC Bank Malta p.l.c. | Annual Report 2025

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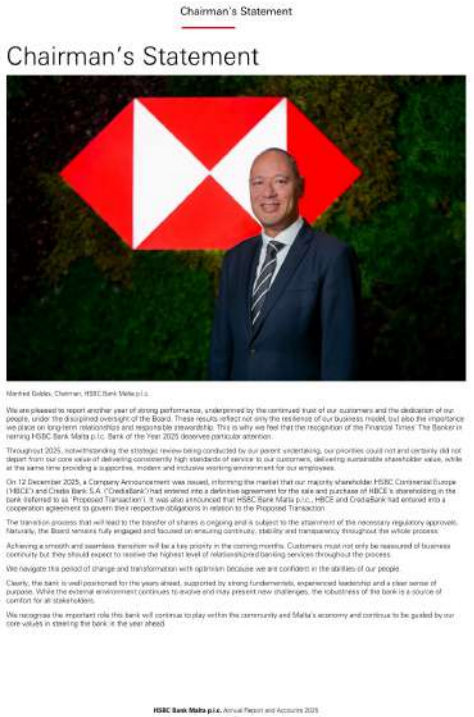
Readers are reminded that the official statutory Annual Report and Accounts 2025, authorised for issue by the Board of Directors, is in European Single Electronic Format ('ESEF') and is published on https://www.about.hsbc.com.mt/investor-relations. A copy of the Independent auditor's report issued on the official statutory Annual Report and Accounts 2025 will be included within the printed document and will comprise the auditor's report on compliance with the requirements of the European Single Electronic Format Regulatory Technical Standard (the ESEF RTS), by reference to Capital Markets Rule 5.55.6.



Chairman's Statement

Manfred Eybler, Chairman, HSBC Bank Malta p.l.c.

We are pleased to report another year of strong performance, underpinned by the continued trust of our customers and the dedication of our people, under the disciplined oversight of the Board. These results reflect not only the resilience of our business model, but also the importance we place on long-term relationships and responsible stewardship. This is why we feel that the recognition of the Financial Times' The Banker in naming HSBC Bank Malta p.l.c. Bank of the Year 2025 deserves particular attention.

Throughout 2025, notwithstanding the strategic review being conducted by our parent undertaking, our priorities could not and certainly did not depart from our core value of delivering consistently high standards of service to our customers, delivering sustainable shareholder value, while at the same time providing a supportive, resilient and inclusive working environment for our employees.

On 12 December 2025, a Company Announcement was issued, informing the market that our majority shareholder HSBC Continental Europe ('HBCE') and Credis Bank S.A. ('CreditaBank') had entered into a definitive agreement for the sale and purchase of HBCE's shareholding in the bank (referred to as 'Proposed Transaction'). It was also announced that HSBC Bank Malta p.l.c., HBCE and CreditaBank had entered into a cooperation agreement to govern their respective obligations in relation to the Proposed Transaction.

The transition process that will lead to the transfer of shares is ongoing and is subject to the attainment of the necessary regulatory approvals. Naturally, the Board remains fully engaged and focused on ensuring continuity, stability and transparency throughout the whole process.

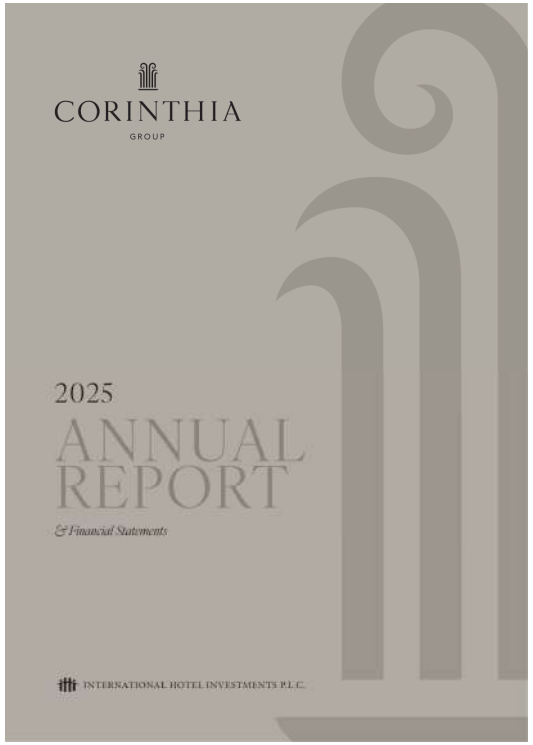
Achieving a smooth and seamless transition will be a key priority in the coming months. Customers must not only be reassured of business continuity but they should expect to receive the highest level of relationship-led banking services throughout the process.

We navigate this period of change and transformation with optimism because we are confident in the abilities of our people.

Clearly, the bank is well-positioned for the years ahead, supported by strong fundamentals, experienced leadership and a clear sense of purpose. While the external environment continues to evolve and may present new challenges, the robustness of the bank is a source of comfort for all stakeholders.

We recognise the important role this bank will continue to play within the community and Malta's economy and continue to be guided by our core values in steering the bank in the year ahead.

More annual reports



Corinthia / IHI 2025

Convenience Shop 2025

HSBC Malta 2025

Company Announcements

Company Announcement

Rights Issue: Record Date and Terms of Offer

Date of announcement: 30 September 2025
Reference number: APSB92

The following is a Company Announcement by APS Bank plc (or the "Bank") pursuant to the Capital Markets Rules issued by the Malta Financial Services Authority.

Quote

APS Bank plc refers to Company Announcement APSB91, published on 15 September 2025, communicating its intention to raise c. €45 million in new equity via a Rights Issue of ordinary shares.

Terms of Offer and Record Date

Subject to regulatory approval, the Bank is pleased to announce that it will be offering its shareholders the opportunity to subscribe for new ordinary shares in the aggregate, at a ratio of 3 new ordinary shares for every 11 shares held (3:11) at a price of €0.44 per share. In the event that the Rights issue is not subscribed in full, the lapsed rights will be offered to the general public via an Intermediaries' Offer, also at a price of €0.44 per share.

The Rights Issue will be offered to shareholders appearing on the Bank's Register of Members maintained by the Central Securities Depository of the Malta Stock Exchange on Monday 6 October 2025 (last trading date, Thursday 2 October 2025) (the "Record Date").

All new ordinary shares will have the same rights and entitlements as all other ordinary shares currently in issue, and shall rank *pari passu* with them.

Regulatory Approval and Outline of the Rights Issue

As already announced, the Bank is at an advanced stage to obtain regulatory approval for the Rights Issue from the Malta Financial Services Authority. The prospectus and relative application forms are expected to be published in the second half of October 2025.

Further announcements will be made as and when required.

Disclaimer:

ANY DECISION TO PURCHASE, SUBSCRIBE FOR, ACQUIRE, SELL OR OTHERWISE DISPOSE OF SHARES DURING THE RIGHTS ISSUE MUST BE MADE ONLY ON THE BASIS OF THE INFORMATION CONTAINED IN THE PROSPECTUS ONCE PUBLISHED.

For the purposes of article 2(1)(b)(i) of Commission Implementing Regulation (EU) 2016/1055, the Bank hereby announces that this company announcement includes 'inside information' in terms of Regulation (EU) 596/2014 (the Market Abuse Regulation).

Unquote

Graziella Bray B.A., LL.D, FCG
Company Secretary

Registered Office: APS Bank plc, APS Centre, Tower Street, Birkirkara BKR 4012, Malta
Registration Number C2768 | Website: apsbank.com.mt | E-mail: investorrelations@apsbank.com.mt | Tel.: 2560 3000

APS Bank plc is regulated by the Malta Financial Services Authority as a Credit Institution under the Banking Act 1994 and licensed to carry out Investment Services activities under the Investment Services Act 1994. The Bank is also registered as a Tied Insurance Intermediary under the Insurance Distribution Act 2018.

Company Announcement

Information to Maintain a Fair Market

Date of announcement: 26 March 2025
Reference number: APSB82

The following is a Company Announcement by APS Bank plc (or the "Bank") pursuant to the Capital Markets Rules issued by the Malta Financial Services Authority.

Quote

APS Bank plc refers to the announcement made by HSBC Bank Malta plc (or the "Company") on 25 March 2025 HSBC455 in relation to the disclosure of information to bona fide offeror(s), and to the Bank's earlier announcement APSB76 of 28 November 2024.

Consistent with its regulatory obligations and good conduct practices, the Bank is informing the market that following the signing of a non-disclosure agreement between the Bank and the Company on 25 March 2025, the Bank has been granted access to a virtual data room and is commencing a due diligence exercise on the Company, with the assistance of its full team of advisors.

The Bank will keep the market informed through further company announcements whenever necessary as well as with customary Market Briefings, where appropriate.

Unquote

Graziella Bray B.A., LL.D, FCG

Company Secretary

Recap: five questions for every transaction

01 Is it genuine?

02 Is it authorised?

03 Is the evidence complete?

04 Is the record accurate?

05 Can someone independently verify it?

Every figure starts with an event, a document and an office process.

Thank you

21 ACADEMY