



## ***COMPANY ANNOUNCEMENT***

The following is a Company Announcement by HSBC Bank Malta p.l.c. pursuant to Malta Financial Services Authority Listing Rules:

*Quote:*

### **COST REDUCTION PROGRAMME**

Reference is made to the company announcement HSBC278 issued on 26 November 2015 concerning the improvement of the Bank's productivity and cost effectiveness.

As per the announcement, the board of the Bank has now approved a plan to deliver sustainable cost savings in a context of higher operating costs and a decline in profitability, mainly through an early retirement scheme for employees. This scheme is one of a number of initiatives aimed at improving the Bank's productivity and cost effectiveness, while streamlining its operations and investing in areas of growth and in compliance.

Following a comprehensive review of the applications received for voluntary retirement the Bank intends to accept around 130 applications. The estimated cost of this one-off expenditure is approximately €4.7m which will enable the Bank to reduce annual operating costs by approximately €4.4m. The entire cost for the voluntary retirements will be provided for in the financial year ended 31 December 2015 and is expected to result in a one-time reduction in the Bank's profitability for that financial year. However, the cost reductions are expected to enable the Bank to achieve a higher level of profitability and efficiency in future years.

The Bank remains confident in its ability to grow its business in Malta and support the local economy and its customers, while creating value for its shareholders.

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**Notes to editors:**

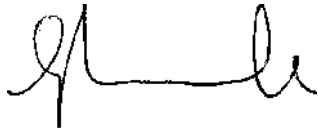
**1. Basis of preparation**

This statement is based on the unaudited management accounts of HSBC Bank Malta p.l.c. up to 30 September 2015 and other financial information.

**2. HSBC Holdings plc**

HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. The Group serves customers worldwide from around 6,100 offices in 72 countries and territories in Europe, Asia, North and Latin America, and the Middle East and North Africa. With assets of US\$2,549bn at 30 September 2015, HSBC is one of the world's largest banking and financial services organisations.

*Unquote*



**Dr George Brancaleone LL.D.**  
**Company Secretary**  
**7 January 2016**