



10 October 2019

COMPANY ANNOUNCEMENT

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

Quote

HSBC Bank Malta p.l.c. to focus on digital services and modernise branches as customers use Banks differently.

HSBC Bank Malta p.l.c. (the "Bank") has announced a strategic plan to increase its focus on digital banking services and to modernise its branch network. This will enable HSBC Malta to maximise the opportunities from the rapidly changing way customers are using banks. This builds on the investment the Bank has undertaken in digital capabilities during 2019, which will be complemented with the creation of a new flagship branch, development of new wealth management centres, and more flexible access to a range of self-service solutions delivered through a more cost effective operating model. These actions will aim to help mitigate the long-term impact of negative interest rates on the Bank's profitability in Malta.

The Bank will open a new flagship branch within its principal office in Qormi, four new wealth management centres and invest in its principal branches across the country, providing a wider range of services and improved accessibility such as parking and extended hours.

Branch banking will continue to be a critical part to Bank's service offering for the long term. However, what branches do for their customers and how and when they do it is changing. As part of this plan the Bank intends to close seven branches and combine two further branches into the new Qormi flagship.

The Bank expects, subject to Union agreement, a reduction in roles within the organisation on a voluntary basis. The restructuring costs to deliver these changes will be booked in the 2019 financial results but as the programme is voluntary, the amount will depend on the number of applications. The Bank will make a further company announcement in due course.

Unquote

A handwritten signature in black ink, appearing to read "G. Brancalone".

Dr George Brancalone LL.D.
Company Secretary