

For immediate release

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HSBC announces restructure

HSBC is today announcing a restructure of its business in the UK which means that 2,217 people will be leaving the UK Bank during the coming months. The reduction of 3,167 roles in the UK follows the Group's announcement last year that by the end of 2013, there would be around 30,000 fewer roles within the bank worldwide.

It is likely that the majority of colleagues impacted will be in senior or middle management positions. Only a small proportion of customer facing staff will be impacted by today's decision and indeed the bank's 1,250 strong UK branch network will be largely unaffected by these changes. No branches will close as a direct result of today's announcement.

Brian Robertson, Chief Executive of HSBC Bank Plc, said:

"We have taken the difficult decision to restructure HSBC in the UK in order to reduce layers of management and bureaucracy. These changes will enhance our efficiency as detailed in the strategy we announced last May and they will also help ensure our continued profitability in the face of the changing regulatory landscape."

Joe Garner, Head of the UK Bank, said:

"I feel the deepest sympathy for those colleagues who are affected by these changes and would like to stress that we will be doing everything we possibly can to support them over the coming months. Our immediate focus is to try to help those colleagues impacted to find alternative roles within the bank. We have tried to keep the number of people who will be leaving the bank to a minimum. Additionally, we have gone to great lengths to maintain full support for our customers – with only a small proportion of frontline customer service colleagues being impacted by these changes.

Why does the Bank have to change its structure?

HSBC in the UK is part of what is a Group-wide programme to change the way it works by reducing layers of management, whilst also eliminating unnecessary bureaucracy. By re-engineering various processes and also by streamlining the Bank's IT requirements, it will allow the bank to reduce costs whilst also enhancing the service it provides to its customers.

In addition, fundamental changes to the regulatory framework in the UK and the growing capital requirements imposed on banks means that the underlying cost of providing banking services in the UK is increasing.

For example, the forthcoming introduction of the Retail Distribution Review in January 2013 will have a major impact on the bank's UK business. Around a quarter of all the people impacted by today's changes are in anticipation of the likely impact on business levels caused by the Retail Distribution Review.

Where will the jobs be lost?

The bank has undertaken a full review of the business so that areas of bureaucracy and duplication within the organisation are removed. There will be fewer levels between senior management and staff 'on the front line', which will mean that all colleagues will be empowered to deal with customers at the first point of contact - which should enhance customer service levels.

All business areas within the Bank as well as most geographic regions within the UK will be impacted in some way and we will now be working with the individuals concerned to help them find alternative roles either within the wider Group structure, or outside the organisation.

Ends.

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