



**The global Media Release HSBC Holdings plc Annual Results 2010
is available on www.hsbc.com**

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**HSBC HOLDINGS PLC
2010 FINAL RESULTS – HIGHLIGHTS (1)**

Strong financial performance

- Underlying pre-tax profit up by almost US\$5bn or 36% to US\$18.4bn.
- Pre-tax profit more than doubled to US\$19bn on a reported basis.
- Profit attributable to shareholders rose to US\$13.2bn (2009: US\$5.8bn).
- Loan impairment charges down US\$12.4bn to US\$14bn, lowest since 2006.
- Earnings per share up 115% to US\$0.73 (2009: US\$0.34).
- Dividends declared in respect of 2010 totalled US\$6.3bn, or US\$0.36 per ordinary share, with a fourth interim dividend for 2010 of US\$0.12 per ordinary share.

Continued benefits from HSBC's universal banking model

- Profitable in every customer group and region, including North America, for first time since 2006.
- Improved Personal Financial Services performance to achieve pre-tax profit of US\$3.5bn.
- Commercial Banking up strongly, with pre-tax profit rising 48% to US\$6bn.
- Global Banking and Markets pre-tax profit of US\$9.2bn, second only to 2009.
- Faster growing markets accounted for 34% of customer lending, up from 26% in 2008, on a reported basis.
- Rest of Asia-Pacific pre-tax profit of US\$5.7bn, at a similar level to Hong Kong for first time.
- Continued capital generation – core tier 1 ratio increased to 10.5% from 9.4% on a reported basis.
- Strong liquidity maintained – ratio of advances-to-deposits at 78.1%.

Open for business and supporting customer needs

- Customer lending up 8% to US\$958bn; deposits up 7% to US\$1.2tn.
- No. 1 mortgage lender in Hong Kong; record share of UK mortgage market.
- UK total Commercial Banking lending up 3% to £39.5bn; new loans up 17% to £9.9bn.
- UK new loans to SMEs up 19% to £2.4bn; total SME lending down 1.6% as customers repaid.
- Added over half a million Commercial Banking customers globally; helped 2,400 businesses a week start-up in UK.
- Emerging market assets under management increased over 20% to US\$145bn on a reported basis.

(1) All figures in this page are given on an underlying basis unless otherwise stated. Underlying results eliminate the effects of foreign currency translation differences, acquisitions and disposals of businesses, and changes in the fair value of own debt due to own credit spread.

HSBC HOLDINGS REPORTS PRE-TAX PROFIT OF US\$19,037 MILLION (1)

HSBC made a profit before tax of US\$19,037m, an increase of US\$11,958m, or 169%, compared with 2009.

Net interest income of US\$39,441m was US\$1,289m, or 3.2%, lower than 2009.

Net operating income before loan impairment charges and other credit risk provisions of US\$68,247m was US\$2,066m, or 3.1%, higher than 2009.

Total operating expenses of US\$37,688m rose by US\$3,293m, or 9.6%, compared with 2009. On an underlying basis operating expenses were up 8% compared with 2009.

HSBC's cost efficiency ratio was 55.2% compared with 52.0% in 2009.

Loan impairment charges and other credit risk provisions were US\$14,039m in 2010, US\$12,449m lower than 2009.

The core tier 1 ratio and tier 1 ratio for the Group remained strong at 10.5% and 12.1%, respectively, at 31 December 2010.

The Group's total assets at 31 December 2010 were US\$2,455bn, an increase of US\$91bn, or 3.8%, since 31 December 2009.

- (1) *All figures on this page are on a reported basis, unless otherwise stated. When reference to 'underlying' or 'underlying basis' is made in tables or commentaries, comparative information has been expressed at constant currency, eliminating the impact of fair value movements in respect of credit spread changes on HSBC's own debt and adjusting for the effects of acquisitions and disposals. A reconciliation of reported and underlying profit before tax is presented in Additional Information.*
