

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.



The following is the text of an announcement released to the other stock exchanges on which HSBC Holdings plc is listed.

4 March 2013

HSBC HOLDINGS PLC 2012 RESULTS – AUDIO WEBCAST AND CONFERENCE CALL

There will be an audio webcast presentation and conference call today for investors and analysts starting at 11.00 in London. The speakers will be: Douglas Flint, Group Chairman; Stuart Gulliver, Group Chief Executive; and Iain Mackay, Group Finance Director.

A copy of the presentation to investors and analysts is attached and is also available to view and download at www.hsbc.com. Full details of how to access the conference call appear below and details of how to access the audio webcast can be found at:

<http://www.hsbc.com/investor-relations/investing-in-hsbc/latest-financial-results>

Time: 06.00 (in New York); 11.00 (in London); 19.00 (in Hong Kong).

Conference call access numbers:

Restrictions may exist when accessing free phone / toll free numbers using a mobile telephone.

Passcode: HSBC

	Toll	Toll free
UK & International	+44 (0) 1452 584 928	0800 279 5983
US	+1 917 503 9902	1866 629 0054
Hong Kong	+852 3077 4624	8009 332 34

Replay access details (available until 4 April 2013)

Passcode: 92302950#

	Toll	Toll free
UK	+44 (0) 845 245 5205	0800 953 1533
International	+44 (0) 1452 55 00 00	
US	+1 631 510 7499	1866 247 4222
Hong Kong		800 901 393

Note to editors:

HSBC Holdings plc

HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. The Group serves customers worldwide from around 6,600 offices in 81 countries and territories in Europe, the Asia-Pacific region, North and Latin America, and the Middle East and North Africa. With assets of US\$2,693bn at 31 December 2012, the HSBC Group is one of the world's largest banking and financial services organisations.

ends/all

The Board of Directors of HSBC Holdings plc as at the date of this announcement are: D J Flint, S T Gulliver, S A Catz†, L M L Cha†, M K T Cheung†, J B Comey†, J D Coombe†, J Faber†, R A Fairhead†, R Fassbind†, J W J Hughes-Hallett†, W S H Laidlaw†, J P Lipsky†, J R Lomax†, I J Mackay, Sir Simon Robertson† and J L Thornton†.

† Independent non-executive Director

Hong Kong Stock Code: 5



HSBC Holdings plc
Annual Results 2012
Presentation to Investors and Analysts





Forward-looking statements

This presentation and subsequent discussion may contain certain forward-looking statements with respect to the financial condition, results of operations and business of the Group. These forward-looking statements represent the Group's expectations or beliefs concerning future events and involve known and unknown risks and uncertainty that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Additional detailed information concerning important factors that could cause actual results to differ materially is available in our Annual Report and Accounts. Past performance cannot be relied on as a guide to future performance.

This presentation contains non-GAAP financial information. Reconciliation of non-GAAP financial information to the most directly comparable measures under GAAP are provided in the 'constant currency and underlying reconciliations' supplement available at www.hsbc.com.

2012 results

Highlights

Delivering the strategy	<ul style="list-style-type: none"> ✓ Delivering on actions outlined in Investor Day May 2011 <ul style="list-style-type: none"> - Growing the business - Simplifying and restructuring the Group - Strengthening capital to enable Basel III compliance and support dividend growth ✓ Group positioned for organic growth
Achieving growth	<ul style="list-style-type: none"> ✓ Underlying¹ revenue growth for the Group, +7% ✓ Strong performance from Global Banking and Markets (GBM) ✓ Record reported profit before tax in Commercial Banking (CMB) ✓ Additional revenues, 5%, from closer collaboration between GBM and CMB
Simplifying and restructuring the business	<ul style="list-style-type: none"> ✓ Announced 26 transactions in 2012, 47 since beginning of 2011, including 4 in 2013 ✓ Delivered USD2.0bn sustainable cost savings, cumulative USD3.6bn annualised, strong 2013 pipeline ✓ Underlying cost growth of 11% to USD41.9bn included notable items of USD5.7bn (USD2.2bn in 2011), investment in growth and strengthening compliance and infrastructure
Financial results	<ul style="list-style-type: none"> ✓ Reported profit before tax USD20.6bn, down 6% on 2011 ✓ Underlying¹ profit before tax USD16.4bn, up 18% on 2011, reduced by a number of notable items ✓ ROE² 8.4% down from 10.9% primarily reflecting adverse FVOD³, a higher tax charge and higher average shareholders' equity
Strengthening capital and growing dividend	<ul style="list-style-type: none"> ✓ Core Tier 1 ratio, 12.3%, up from 10.1% at end 2011 ✓ Basel III common equity tier 1 ratio, 10.3%⁴ post-2013 management actions (9.0% at end 2012) ✓ Dividends per ordinary share⁵ up 10% to USD0.45. First 3 interim dividends for 2013 up 11% to USD0.10 per ordinary share

Notes:

1 Underlying basis eliminates effects of foreign currency translation differences, acquisitions, disposals and changes in ownership levels of subsidiaries, associates and businesses, and changes in fair value ('FV') due to movements in credit spread on own long-term debt issued by the Group and designated at fair value

2 Return on average ordinary shareholders' equity

3 Fair value movements on own debt attributable to credit spreads

4 Estimated Basel III end point CET1 ratio (post management actions completed in 2013 and planned management actions on immaterial holdings to be invoked if proposed rules are unchanged), based on our interpretation of the July 2011 draft CRD IV regulation, supplemented by FSA guidance

5 Declared in respect of the period

2012 results

Financial highlights¹

Summary financial highlights

	2011	2012	% Better/(worse)
Reported PBT (USDbn)	21.9	20.6	(6)
Underlying PBT (USDbn)	13.9	16.4	18
EPS (USD)	0.92	0.74	(20)
Dividends (USD) ²	0.41	0.45	10

Key ratios %

	2011	2012	KPI
Return on average ordinary shareholders' equity	10.9	8.4	12-15
Cost efficiency ratio	57.5	62.8	48-52
Advances-to-deposits ratio	75.0	74.4	<90
Core tier 1 ratio	10.1	12.3	9.5-10.5
Common equity tier 1 ratio ³	na	9.0	9.5-10.5
Common equity tier 1 ratio, post management actions ^{3,4}	na	10.3	9.5-10.5

Notes:

1 All figures are as reported unless otherwise stated

2 Declared in respect of the period

3 Estimated Basel III end point CET1 ratio based on our interpretation of the July 2011 draft CRD IV regulation, supplemented by FSA guidance

4 See slide 14

2012 results

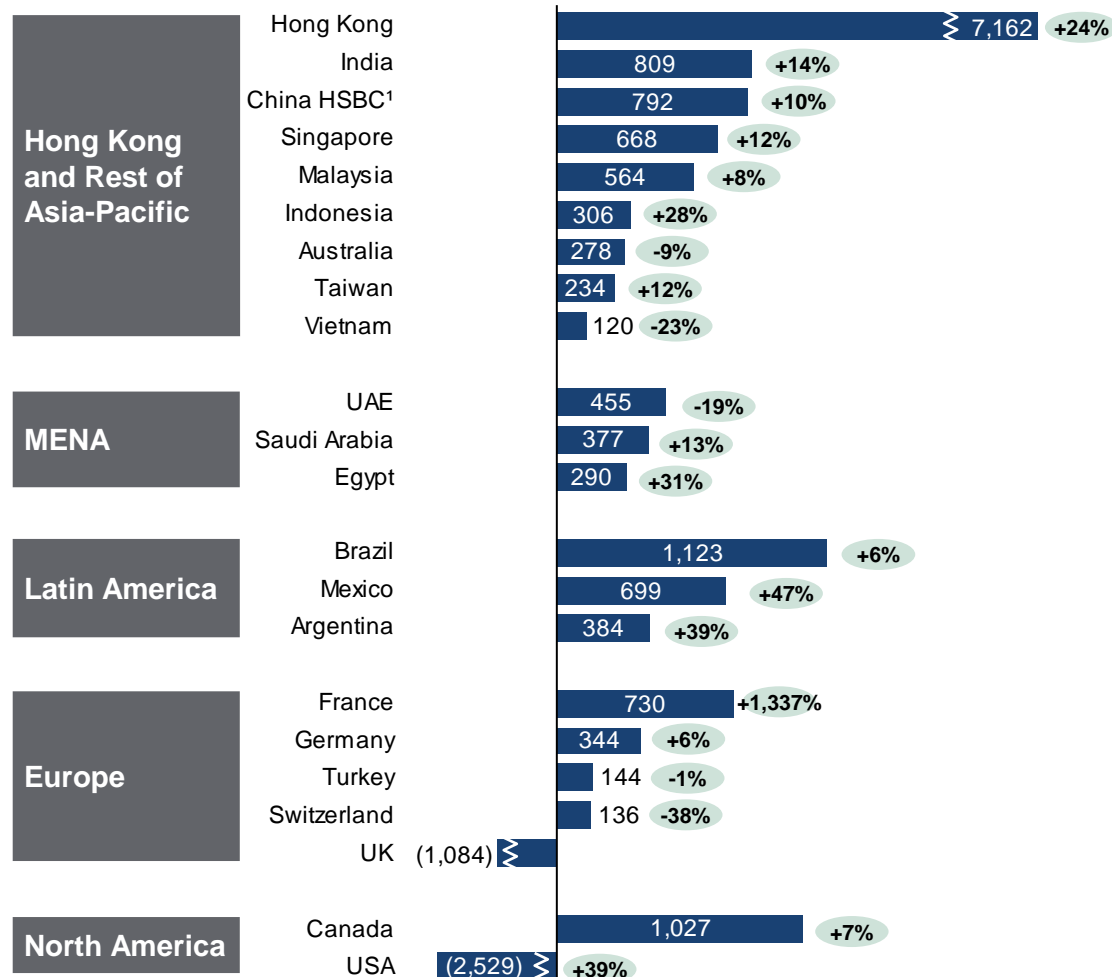
Regional and country profit contributions

Geographical regions

Underlying PBT (USDbn)	2011	2012	% Better/(worse)
Hong Kong	5.8	7.2	24
Rest of Asia-Pacific	6.3	6.4	2
MENA	1.4	1.4	(3)
Latam	1.9	2.2	19
Europe	1.6	0.7	(57)
North America	(3.1)	(1.5)	51
Total	13.9	16.4	18

Country highlights

(Underlying PBT USDm, 2012 vs 2011)



Note:

¹ Also excludes mainland China associates and the fair value movements of USD553m on the contingent forward sale contract related to the Ping An sale, the effect of which was offset by a gain in 2013 on completion of the transaction

Financial performance

Financial overview

Summary of reported results

Summary of reported results

(USDbn)	2011	2012	Better/(worse)	
			USDbn	%
Revenue ¹ excluding FVOD ²	68.4	73.5	5.1	7
LICs ³	(12.1)	(8.3)	3.8	31
Net operating income, excluding FVOD	56.3	65.2	8.9	16
Operating expenses	(41.6)	(42.9)	(1.3)	(3)
Share of profits in associates and joint ventures	3.3	3.5	0.2	6
Profit before tax, excluding FVOD	18.0	25.8	7.8	43
Changes in FVOD	3.9	(5.2)	(9.1)	-
Profit before tax	21.9	20.6	(1.3)	(6)
Tax	(3.9)	(5.3)	(1.4)	(36)
Profit after tax	18.0	15.3	(2.7)	(15)
Profit attributable to ordinary shareholders of the parent company	16.8	14.0	(2.8)	(17)

Notes:

1 Revenue is net operating income before Loan Impairment Charges and other credit risk provisions

2 Fair value movements on own debt attributable to credit spreads

3 Loan Impairment Charges and other credit risk provisions

Financial overview

Underlying performance^{1,2}

(USDbn)	2011	2012	% Better/(worse)
Revenue ³	59.3	63.5	7
LICs	(10.2)	(8.0)	22
Operating expenses	(37.6)	(41.9)	(11)
Profit before tax	13.9	16.4	18

Notes:

1 Underlying basis eliminates effects of foreign currency translation differences, acquisitions, disposals and changes in ownership levels of subsidiaries, associates and businesses, and changes in fair value ('FV') due to movements in credit spread on own long-term debt issued by the Group and designated at fair value

2 See pages 26-28 of the 2012 Annual Report and Accounts for details on disposal gains and reconciliation of reported and underlying items

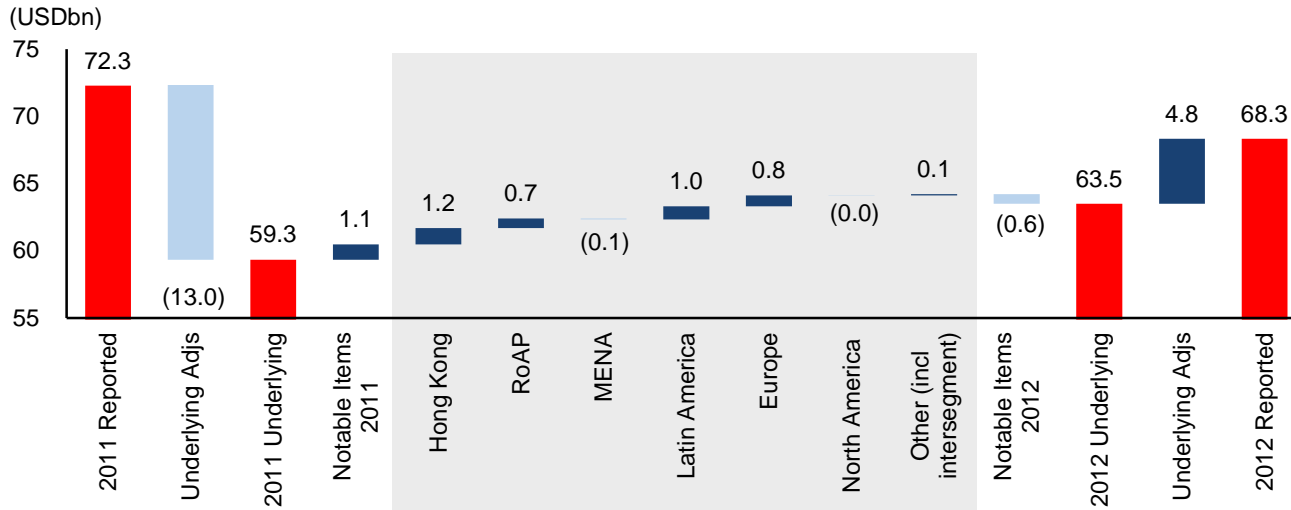
3 Net operating income before LICs

4 Loan Impairment Charges and other credit risk provisions

Revenues¹

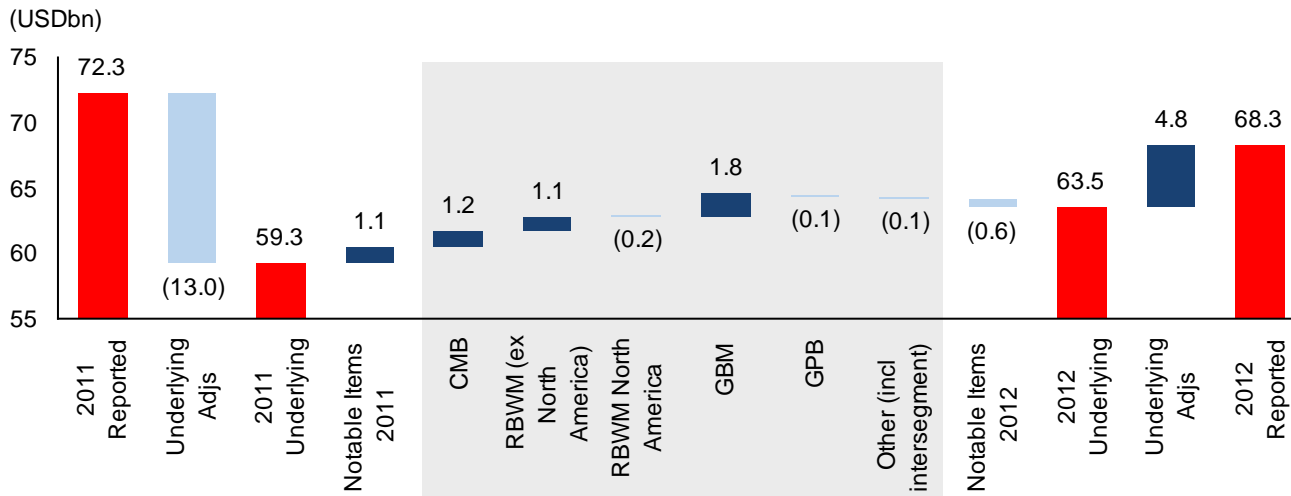
Growth momentum

Geographical regions



- Group underlying revenue growth +7% mainly in GBM and CMB
- 53% Group's underlying revenue in faster-growing regions
- GBM growth in Credit, Rates, Payments and Cash Management ('PCM') and other transaction services
- CMB growth strong in Global Trade and Receivables Finance ('GTRF') (+11%)² and PCM (+15%)² revenues

Global businesses



- RBWM growth in faster-growing regions:
 - Hong Kong mortgage balances up 11%², deposit balances up 10%², increased sales in unit trust and life insurance products
 - Latin America, higher sales of unit-linked pension products in Brazil
- Collaboration revenues between GBM and CMB +5%

Notes:
 1 Net operating income before LICs
 2 On a constant currency basis

Operating expenses¹

The key drivers

USDbn	2011	2012	Better/(worse)	
			USDbn	%
Reported operating expenses	41.5	42.9	(1.4)	(3)
Acquisitions and disposals	2.6	1.0		
FX impact	1.3	-		
Underlying operating expenses	37.6	41.9	(4.3)	(11)
UK customer redress programmes	0.9	2.3		
US fines and penalties for past inadequate compliance with anti-money laundering and sanction laws	-	1.9		
UK pension credit	(0.6)	-		
Restructuring and other related costs	1.1	0.9		
	1.4	5.1		
Remaining operating expenses	36.2	36.8	(0.6)	(2)
2012 incremental sustainable cost savings	-	2.0		
Underlying revenue	59.3	63.5	4.2	7

- Annualised sustainable cost savings since 2011, USD3.6bn exceed target
- Remaining operating expenses increased primarily due to:
 - Inflationary pressures, USD0.6bn
 - Strategic initiatives and related spend, USD0.5bn
 - Investment in compliance, growth and infrastructure, USD0.8bn
 - Litigation, penalties and related costs, USD0.5bn
- Q4 2012 vs Q3 2012 operating expense growth mainly due to:
 - Business growth initiatives, USD0.1bn
 - Asset write-offs and building exits, USD0.2bn

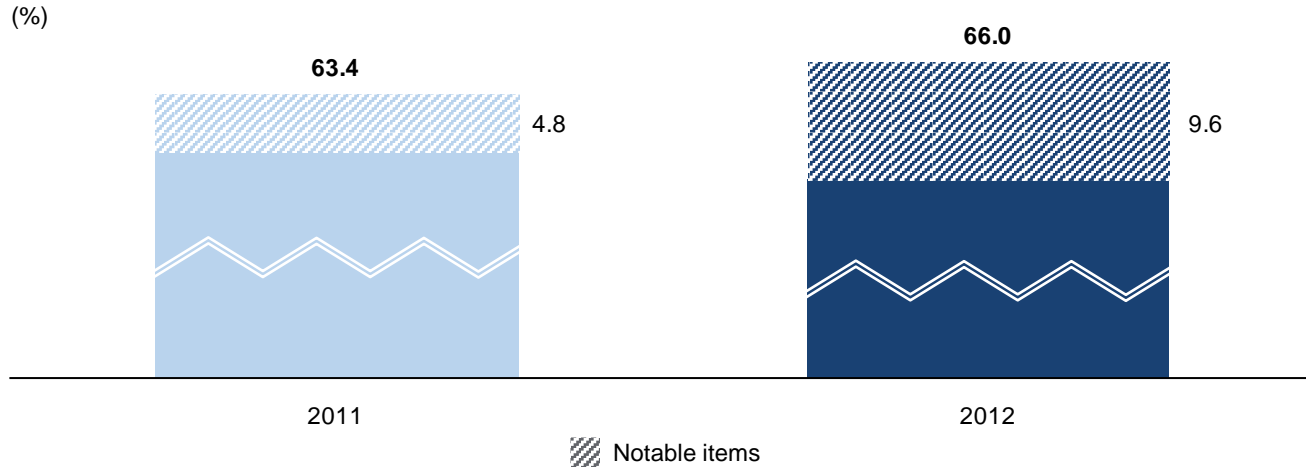
Note:

¹ Analysis of reported HSBC costs showing key cost drivers and the impact of management cost control initiatives

Operating expenses

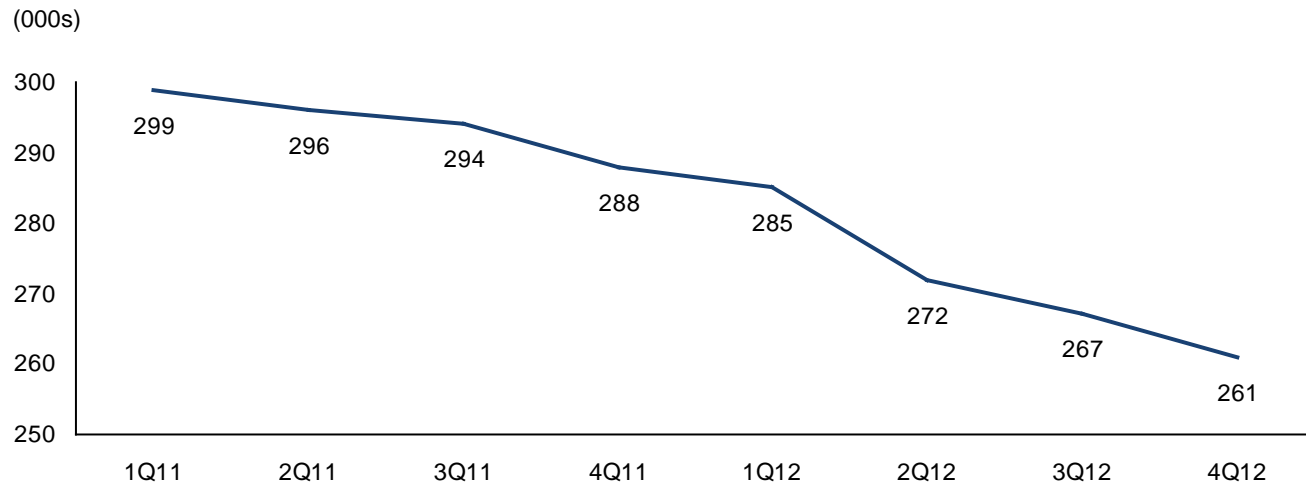
Trends in CER and FTE

Underlying CER



- Strong underlying revenue growth
- Focus on cost discipline
 - Strong pipeline of sustainable cost savings
 - Exceeded top end of target range for cost savings
 - Continued focus on achieving positive jaws

FTE

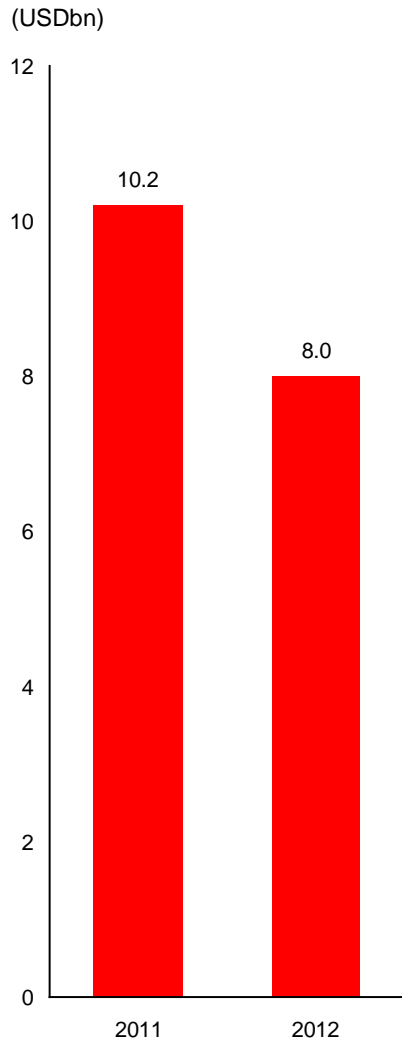


- FTE down 27K to 261K during 2012 and down 38K from peak at 1Q 2011
- During the year average FTE fell by 7%

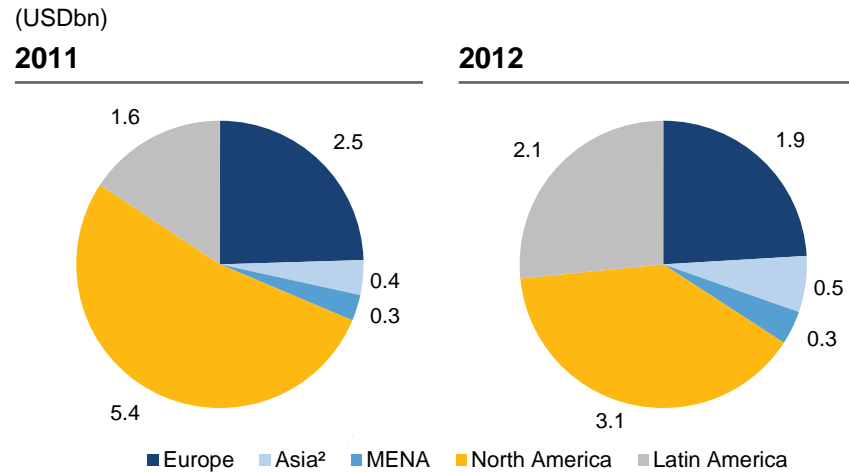
Credit quality

LICs¹ improved

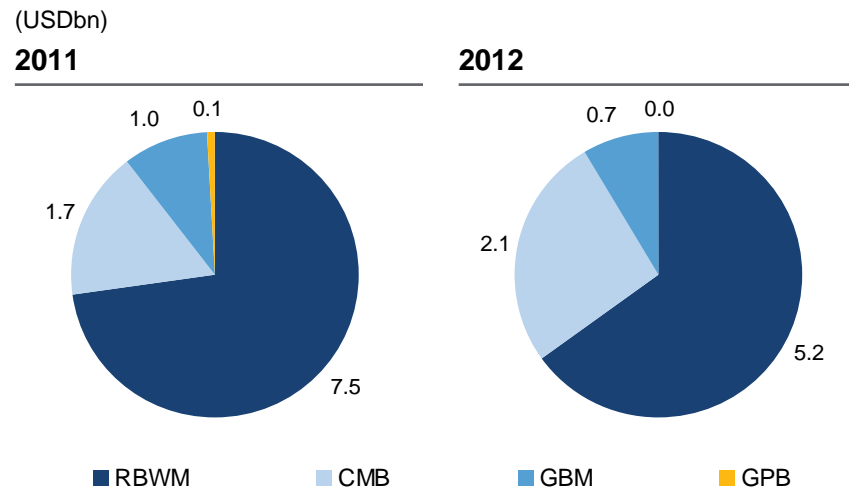
Group



Geographic regions



Global businesses



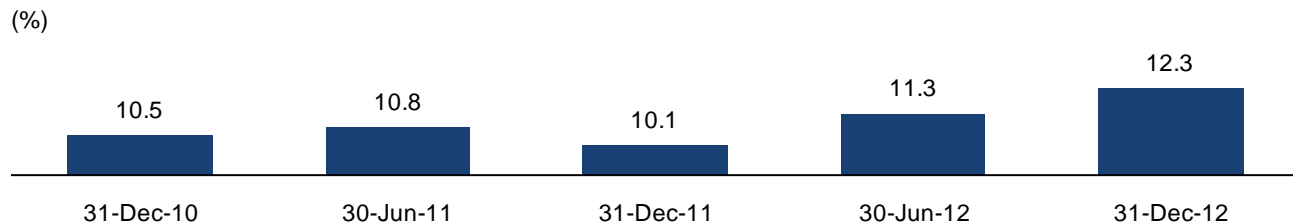
- US CML LICs reduced by USD2.4bn in RBWM to USD2.6bn. Planned part disposals of US CML portfolio
- Europe LICs down USD0.5bn particularly GBM (USD0.4bn) and RBWM (USD0.2bn)
- Hong Kong low level LICs and down USD0.1bn to USD0.1bn
- Latam LICs up USD0.5bn, mainly RBWM and CMB in Brazil
- GBM LICs down USD0.3bn to USD0.7bn, lower impairment charges for AFS, ABS and Greek sovereign debt

Notes:
 1 Loan Impairment Charges and other credit risk provisions, underlying basis
 2 Data for 'Asia' comprises the sum of Hong Kong and Rest of Asia-Pacific geographical regions without the elimination of inter-segments

Capital adequacy

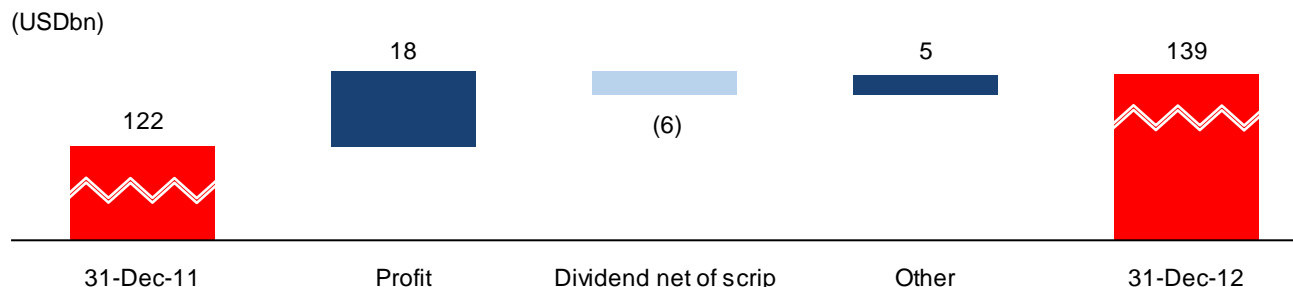
Strong capital generation

Core tier 1 ratio (Basel 2.5)



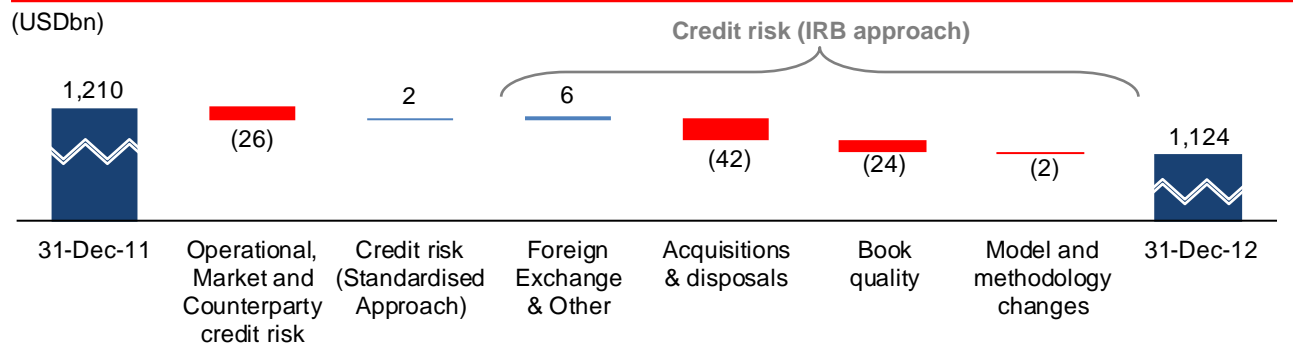
- Core tier 1 ratio of 12.3% at 31 Dec 2012

Movement in core tier 1 capital



- Core tier 1 capital increased by USD17bn (+14%) of which USD12bn from capital generation net of dividends

Movement in risk-weighted assets



- Model and methodology changes negligible impact on RWAs (IRB approach)

- RWAs reduced by USD86bn (-7%)

- Credit Risk RWA density¹ 41% at end 2012 (2011, 44%)

Note:
¹ Calculated as credit risk RWAs divided by credit risk exposure, expressed as a percentage

Capital adequacy

Basel III¹

	RWAs USDbn	Core/Common equity tier 1 USDbn	CT1/CET1 ratio ²	Basel III minimum plus CCB plus G-SIB Buffer ³
Basel 2.5	1,124	139	12.3%	
Basel III impacts				
Threshold deductions		(9)		
Immaterial Holdings ⁴	(3)	(7)		
Other movements to Capital		(7)		
Basel III adjustments to RWAs	168			
Basel III⁵	1,289	116	9.0%	9.5%
Completed management actions				
Ping An and Industrial Bank	(35)	7		
Basel III (Post completed management actions)⁶	1,254	123	9.8%	9.5%
Planned management actions to be invoked if proposed rules are unchanged				
Mitigation of immaterial holdings ⁴	3	7		
Basel III (Post planned management actions)⁷	1,257	130	10.3%	9.5%

Continued regulatory uncertainty with and beyond Basel III:

- CRD IV – the ability of member states to increase existing capital buffers
- Financial Policy Committee
- Regulatory superequivalence – LGD Sovereign floors, UK CRE slotting, Low Default Portfolios
- Independent Commission on Banking

Capital management initiatives:

- Six filters strategic framework: Investment discipline
- Run-off of US CML portfolio
- Management of the GBM Legacy credit portfolio
- Capital capacity for organic growth

Notes:

1 CRD IV is unfinalised and subject to ongoing EU negotiation and implementation by UK regulators and consequently the impact could change

2 Ratios not adjusted for rounding of capital and RWAs to USDbn

3 Estimated G-SIB buffer as advised by the Financial Stability Board

4 Includes the impact of immaterial holdings on thresholds

5 Estimated Basel III CET1 end point capital and RWAs based on our interpretation of the July 2011 draft CRD IV regulation, supplemented by FSA guidance

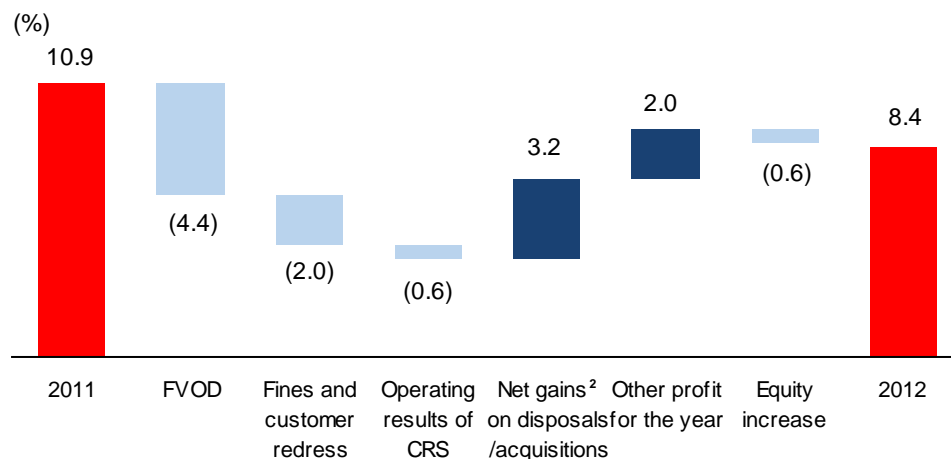
6 Capital management initiatives and management actions already adopted by the Group, in accordance with our six filters strategic framework, have already contributed to mitigating the effect of the future rules

7 The rules are currently in draft and subject to on-going negotiation. If they were to be finalised in their current form, the holdings of such positions would generate a disproportionate capital cost and potentially the relevant businesses could be curtailed, closed or our hedging would be adjusted to negate the impact

Profitability

Drivers of returns

Group RoE¹



Group RoRWA (%)

	2011	2012
Reported	1.9	1.8
Underlying	1.3	1.5
Underlying, ex. Run-off portfolios	2.1	1.9
- of which notable items	(0.3)	(0.7)

Geographical region RoRWA³ (%)

	2011	2012
Hong Kong	5.3	6.6
Rest of Asia-Pacific	2.7	2.3
MENA	2.6	2.3
Latin America	2.0	2.3
Europe ⁴	0.5	0.2
North America	(1.1)	(0.6)

Global business RoRWA¹ (%)

	2011	2012
CMB	2.2	2.1
GBM	1.8	2.0
RBWM	0.3	1.4
GPB	4.0	4.3
Other ⁵	(7.8)	(18.0)

Notes:

1 Reported basis

2 Includes loss on Ping An contingent forward sale contract

3 RoRWA are calculated using underlying PBT and reported average RWAs at constant currency, adjusted for disposals

4 See slide 26 on detailed analysis of Europe

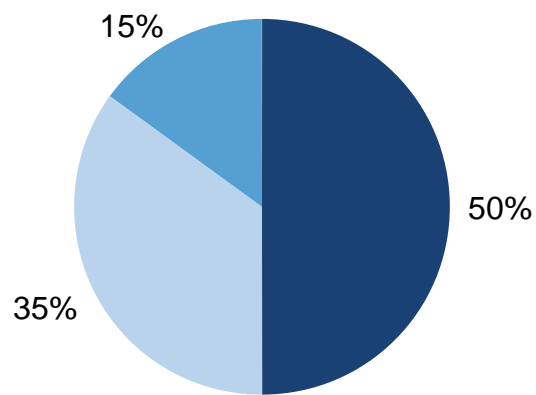
5 See slide 27 for detail analysis of 'Other'

Where the profit goes

Pro-forma post-tax profits allocation¹

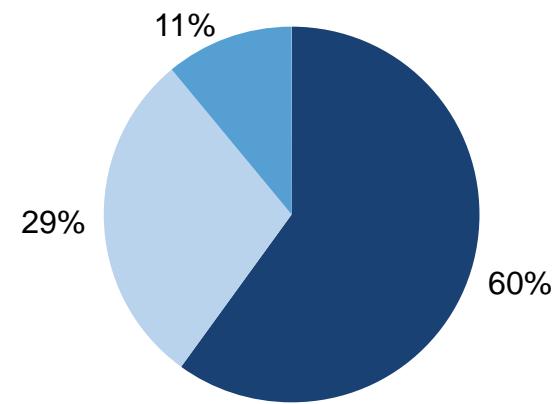
2011

(USDbn)



2012

(USDbn)



■ Retained earnings/capital ■ Dividends net of scrip ■ Variable pay²

Growing ordinary dividends³

USD	2011	2012	2013
Per share			
1Q	0.09	0.09	0.10
2Q	0.09	0.09	0.10
3Q	0.09	0.09	0.10
4Q	0.14	0.18	
	0.41	0.45	
Total USDbn	7.3	8.3	
- of which scrip	1.4	2.8 ⁴	

Notes:

¹ See Report of the Group Remuneration Committee (page 347) of the 2012 Annual Report and Accounts and Pillar 3 (page 64-71) for further information

² Net of tax assumed at 20%

³ In respect of the year

⁴ Based on assumption of scrip take up for 4Q12 of 20%

Business performance

Report card

Key execution elements

Progress in 2012

<p>Growth</p>	<ul style="list-style-type: none"> Group revenue¹ increased 7% Strong GBM performance, revenues² +10%: Credit up 139%, Rates up 33%, PCM up 15%, BSM up 9% CMB 8% revenue¹ growth, notably GTRF and PCM products 5% increase in revenues from closer collaboration between GBM and CMB Wealth Management revenues up more than USD0.5bn³ in 2012 	
<p>Simplifying HSBC</p>	<p>Addressing fragmentation six filters</p>	<ul style="list-style-type: none"> 26 disposals or closures announced in 2012; 47 since beginning of 2011, including 4 in 2013 2012: Sale of: CRS and non strategic US branches and Asian general insurance businesses 2013: Ping An stake sale completed; Industrial Bank dilution gain; Panama sale announced
	<p>Improving organisational efficiency</p>	<ul style="list-style-type: none"> Delivered USD2.0bn cost savings, cumulative USD3.6bn annualised, strong 2013 pipeline Underlying cost growth of 11% to USD41.9bn included notable items of USD5.7bn (USD2.2bn in 2011), investment in growth and strengthening compliance infrastructure FTE at 261k down from 299k in 1Q2011
<p>Credit quality</p>	<ul style="list-style-type: none"> Improved Group credit quality, LICs^{1,4} down USD2.3bn US CML LICs^{1,4} down USD2.4bn, Total US CML RWAs fell by USD24.5bn to USD107.1bn GBM LICs^{1,4} down USD0.3bn; AFS ABS reserve down 57% at (USD2.2bn) Latam LICs^{1,4} up USD0.5bn, mainly RBWM and CMB in Brazil 	
<p>Strengthening capital and growing dividend</p>	<ul style="list-style-type: none"> Core Tier 1 ratio, 12.3%, up from 10.1% at end 2011 Basel III common equity tier 1 ratio, 10.3%⁵ post management actions (9.0% at end of 2012) DPS⁶ up 10% to USD0.45. First 3 interim DPS for 2013 up 11% to USD0.10 	

Notes:

1 Underlying basis. This eliminates effects of foreign currency translation differences, acquisitions, disposals and changes in ownership levels of subsidiaries, associates and businesses, and changes in fair value ('FV') due to movements in credit spread on own long-term debt issued by the Group and designated at fair value

2 Management view of operating income on a constant currency basis net of CVA and DVA change in estimation methodology

3 On a constant currency basis

4 Loan Impairment Charges

5 Estimated Basel III end point CET1 ratio (post management actions completed in 2013 and planned management actions on immaterial holdings to be invoked if proposed rules are unchanged), based on our interpretation of the July 2011 draft CRD IV regulation, supplemented by FSA guidance

6 Dividends per ordinary share on a reported basis

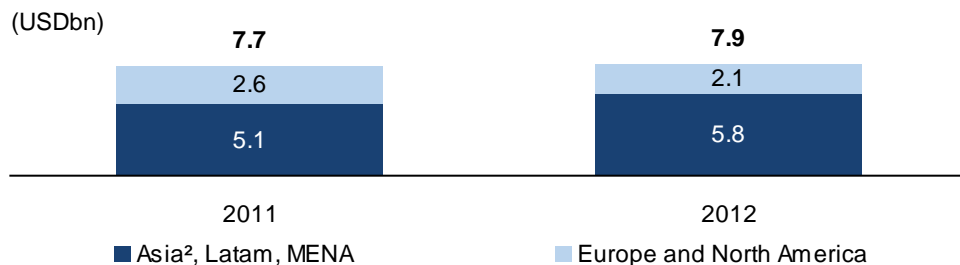
Global business contribution

Underlying PBT (USDbn)	2011	2012	% Better/(worse)
Commercial Banking	7.7	7.9	3
Global Banking and Markets	6.7	8.4	24
Retail Banking Wealth Management	0.9	4.0	359
Global Private Banking	0.9	0.9	1
Other	(2.3)	(4.8)	(105)
Total	13.9	16.4	18

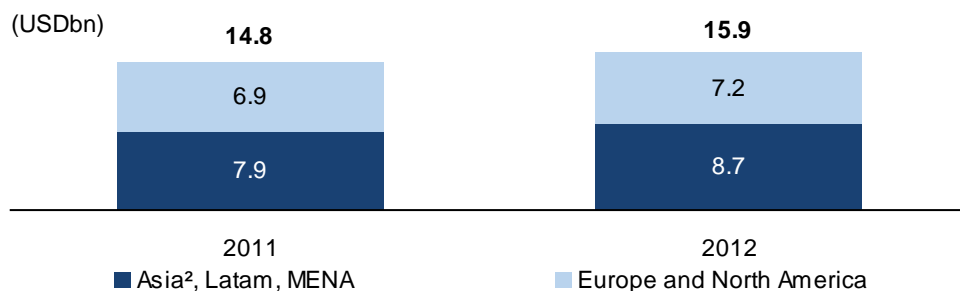
Commercial Banking¹

Strengthened our position as the leading international trade and business bank

CMB PBT



CMB Revenue



Metrics	2011	2012
CER (%)	45.7	47.0
Period-end RWAs ³ (USDbn)	383	397
RoRWA ⁴ (%)	2.2	2.1

Notes:

- 1 All data on an underlying basis except where otherwise stated
- 2 Data for 'Asia' comprises the sum of Hong Kong and Rest of Asia-Pacific geographical regions without the elimination of inter-segments
- 3 On a reported basis
- 4 RoRWAs are calculated using underlying PBT and reported average RWAs at constant currency, adjusted for disposals
- 5 As reported in Oliver Wyman Global Transaction Banking Survey 2012
- 6 On a constant currency basis
- 7 HSBC named "Best Cash Management Bank" globally for Euromoney's "Financial Institutions" and "Non-Financial Institutions" customer survey
- 8 Including the renewal of overdraft and other lending facilities

Achievements and developments

Focus on faster-growing markets

- Record reported PBT in 2012
- 55% of revenues from faster growing regions where revenue up 10%
- HSBC Global trade finance revenue market share up from 9% to 10%⁵; CMB GTRF revenues up 11%⁶
- Award winning⁷ PCM franchise, revenues +15%⁶

Capture growth in international business

- International customers generate around 40% of revenues
- Approved lending through our UK international SME fund of GBP5.1bn⁸, exceeding our target of GBP4.0bn

Strong partnership with Global Businesses

- Over USD0.1bn incremental revenue from GBM collaboration and USD0.7bn since 2010, particularly in FX³

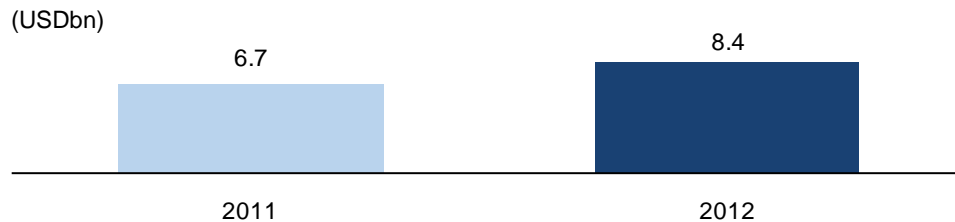
Simplify the business, enhance risk management

- Adoption of global model enabled simplified processes and sustainable cost savings of over USD100m
- Strengthened risk and compliance governance
- CER 47% included customer redress and restructuring costs accounting for 2% of CER

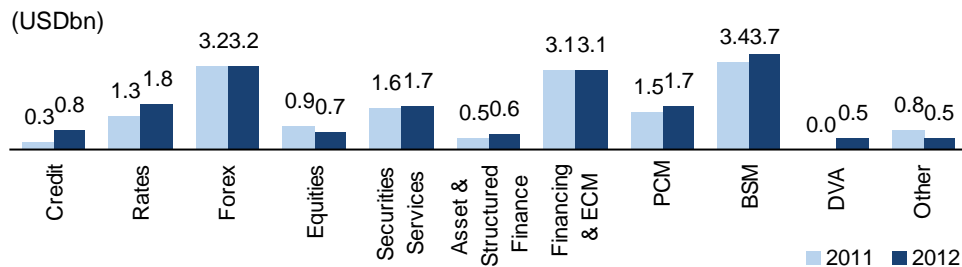
Global Banking and Markets¹

Emerging-markets led, financing focused with greater emphasis on connectivity

GBM PBT



GBM revenue²



Metrics	2011	2012
CER (%)	57.3	54.4
Period-end RWAs ³ (USDbn)		
GBM, ex legacy credit portfolio	373	364
Legacy credit portfolio ⁴	50	39
GBM total	423	403
RoRWA ⁵ (%)		
GBM, ex legacy credit portfolio	2.1	2.4
Legacy credit portfolio ⁴	(1.3)	(0.6)
GBM total	1.8	2.0

Notes:

1 All data on an underlying basis except where otherwise stated

2 Management view of operating income on a constant currency basis. Credit Valuation Adjustment (USD(0.9)bn) included in individual business revenues

3 On a reported basis

4 The legacy credit portfolio is a separately identifiable, discretely managed business comprising Solitaire Funding Limited, the securities investment conduits, the asset-backed securities, trading portfolios and credit correlation portfolios, derivative transactions entered into directly with monoline insurers, and certain other structured credit transactions

5 RoRWAs are calculated using underlying PBT and reported average RWAs at constant currency, adjusted for disposals

Achievements and developments

Enhance core product strengths and selectively develop new capabilities

- Revenues +10%, primarily in Credit and Rates, notably in Europe. Record reported revenues from corporate and institutional debt issuance
- Faster growing regions 51% of revenues; record reported revenues in Hong Kong, RoAP and Latam
- Issued the first international renminbi bond outside China sovereign territory
- Higher volumes from enhanced e-FX platforms
- CER progress

Reinforce client coverage and client-led solutions

- Expanded client coverage teams delivered revenue growth, particularly in faster growing regions

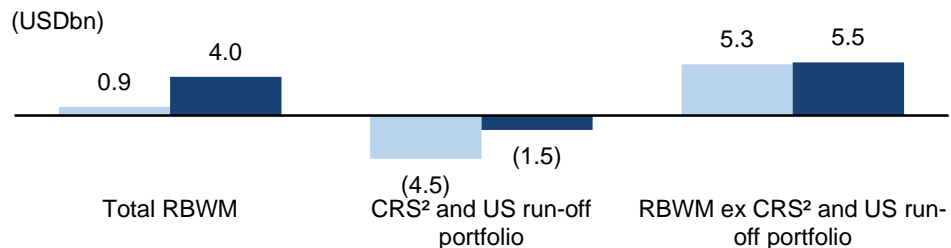
Collaborate with other global businesses to deliver incremental revenues

- CMB client access to appropriate GBM products 5%³ increase in collaboration revenues

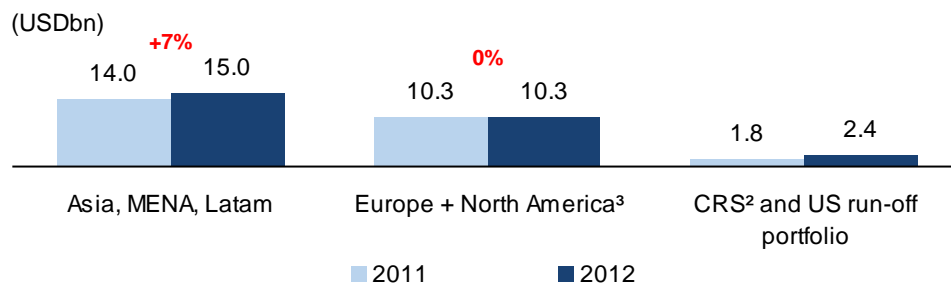
Retail Banking and Wealth Management¹

Reshaping to fit for purpose business model

RBWM PBT



RBWM revenue



Metrics	2011	2012
CER (%)	69.2	68.2
Period-end RWAs ⁴ (USDbn)		
RBWM ex CRS ² and US run-off ⁵	167	163
CRS ² and US run-off ⁵	184	114
RBWM total	351	277
RoRWA ⁶ (%)		
RBWM ex CRS ² and US run-off ⁵	3.4	3.4
CRS ² and US run-off ⁵	(3.3)	(1.1)
RBWM total	0.3	1.4

Notes:

1 All data on an underlying basis except where otherwise stated

2 Cards and Retail Services

3 Excluding US run-off portfolio and CRS

4 On a reported basis

5 Run-off portfolio includes: the US CML portfolios and the related treasury operations

6 RoRWAs are calculated using underlying PBT and reported average RWAs at constant currency, adjusted for disposals

7 On a constant currency basis

Achievements and developments

Reshaping and transforming RBWM to drive superior returns

- Revenues in faster growing markets, +7%, led by Hong Kong and Latin America
- RBWM headcount reduced by 13.5k from organisational efficiency programmes and transactions
- Improving productivity, revenue per FTE, and efficiency (underlying CER)
- 34 announced transactions since start 2011; 12 completed in 2012
- Exiting general insurance manufacturing, focusing on life insurance
- US CML portfolio LICs fell USD2.4bn
- Home and priority markets are 98% of PBT for RBWM ex CRS and US run-off portfolio

Wealth management progress

- Investment to improve customer experience
- Enhanced tools to reinforce risk management framework
- Wealth management revenues +USD550m⁷ in 2012 to USD6.4bn⁷; growth from insurance, mutual funds and foreign exchange



Outlook

- Strong capital position to pursue organic growth opportunities
- Good start to 2013
 - Sound underlying business performance
 - USD1.2bn dilution gain on Industrial Bank
 - USD0.6bn gain on Ping An completion¹
 - Announced Panama operations sale for USD2.1bn
- Gradual economic recovery, particularly in faster growing regions
- Recovering economic growth in mainland China
- First three interim dividends +11% to USD0.10 per ordinary share

Note:

¹ Offsets the adverse fair value on the forward contract included within our 2012 results

Appendix

Reported quarterly results

Consolidated summary

(USD m)	31 Mar 2011	30 Jun 2011	30 Sep 2011	31 Dec 2011	31 Mar 2012	30 Jun 2012	30 Sep 2012	31 Dec 2012
Revenue ¹ (excluding FVOD)	17,629	18,208	15,833	16,677	18,845	20,222	16,299	18,179
LICs	(2,384)	(2,882)	(3,890)	(2,971)	(2,366)	(2,433)	(1,720)	(1,792)
Net operating income, excluding FVOD	15,245	15,326	11,943	13,706	16,479	17,789	14,579	16,387
Operating expenses	(10,369)	(10,141)	(9,869)	(11,166)	(10,353)	(10,851)	(10,279)	(11,444)
Share of profit in associates and joint ventures	619	937	967	741	840	1,003	914	800
Profit before tax, excluding FVOD	5,495	6,122	3,041	3,281	6,966	7,941	5,214	5,743
Changes in FVOD	(589)	446	4,114	(38)	(2,644)	474	(1,733)	(1,312)
Profit before tax	4,906	6,568	7,155	3,243	4,322	8,415	3,481	4,431
Return on average ordinary shareholders' equity (annualised) (%)	11.4	13.2	13.2	5.8	6.4	14.6	5.8	7.1
Cost efficiency ratio (%)	60.9	54.4	49.5	67.1	63.9	52.4	70.6	67.8
Cost efficiency ratio (excluding FVOD) (%)	58.8	55.7	62.3	67.0	54.9	53.7	63.1	63.0

Note:

¹ Net operating income before LIC and other credit risk provisions, also referred to as 'revenue'

Reported quarterly results

Regional contributions

PBT (USDm)	31 Mar 2011	30 Jun 2011	30 Sep 2011	31 Dec 2011	31 Mar 2012	30 Jun 2012	30 Sep 2012	31 Dec 2012
Hong Kong	1,562	1,519	1,288	1,454	1,897	1,864	1,790	2,031
Rest of Asia-Pacific	1,634	2,108	2,008	1,721	2,024	2,348	1,905	4,171
Asia	3,196	3,627	3,296	3,175	3,921	4,212	3,695	6,202
MENA	335	412	405	340	332	440	276	302
Latam	542	609	764	400	604	541	653	586
Europe	652	1,495	2,955	(431)	(997)	330	(217)	(2,530)
North America	181	425	(265)	(241)	462	2,892	(926)	(129)
Total	4,906	6,568	7,155	3,243	4,322	8,415	3,481	4,431

Europe, Global business contribution

PBT (USDm)	31 Mar 2011	30 Jun 2011	30 Sep 2011	31 Dec 2011	31 Mar 2012	30 Jun 2012	30 Sep 2012	31 Dec 2012
Retail Banking and Wealth Management	34	735	301	252	54	(146)	308	293
Commercial Banking	442	602	315	328	482	292	417	17
Global Banking and Markets	901	101	(509)	(416)	951	92	413	(470)
Global Private Banking	178	137	154	88	165	71	144	119
Other	(903)	(80)	2,694	(683)	(2,649)	21	(1,499)	(2,489)
Includes:								
FVOD	(397)	327	3,081	(64)	(1,950)	345	(1,426)	(1,079)
HSBC Holdings								
US fines and penalties ¹	-	-	-	-	-	-	-	(375)
Operating expenses	(226)	(244)	(243)	(381)	(284)	(260)	(305)	(367)
UK bank levy	-	-	-	(570)	34	-	58	(564)
Total	652	1,495	2,955	(431)	(997)	330	(217)	(2,530)

Note:

¹ Fines and penalties for inadequate compliance with anti-money laundering and sanction laws

Reported quarterly results

Global business contribution and Global Banking & Markets MVOI¹

Global business contribution

PBT (USD m)	31 Mar 2011	30 Jun 2011	30 Sep 2011	31 Dec 2011	31 Mar 2012	30 Jun 2012	30 Sep 2012	31 Dec 2012
Retail Banking and Wealth Management	960	2,166	224	920	2,182	4,228	1,511	1,654
Commercial Banking	1,935	2,254	1,954	1,804	2,204	2,225	2,248	1,858
Global Banking and Markets	2,932	1,879	1,006	1,232	3,079	1,968	2,247	1,226
Global Private Banking	308	244	248	144	286	241	252	230
Other	(1,229)	25	3,723	(857)	(3,429)	(247)	(2,777)	(537)
Includes:								
FVOD	(589)	446	4,114	(38)	(2,644)	474	(1,733)	(1,312)
US fines and penalties ²	-	-	-	-	-	(700)	(800)	(421)
UK Bank Levy	-	-	-	(570)	34	-	58	(564)
Total	4,906	6,568	7,155	3,243	4,322	8,415	3,481	4,431

Global Banking & Markets

Management view of net operating income ('MVOI')

(USD m)	31 Mar 2011	30 Jun 2011	30 Sep 2011	31 Dec 2011	31 Mar 2012	30 Jun 2012	30 Sep 2012	31 Dec 2012
Global Markets³	2,912	2,234	1,283	1,669	3,143	2,191	2,202	1,197
Credit	293	237	(219)	24	305	65	285	124
Rates	988	367	(241)	227	1,194	611	363	(397)
Foreign Exchange	738	779	925	830	957	776	736	746
Equities	346	266	261	88	185	211	140	143
Securities Services	414	440	430	389	395	423	381	464
Assets & Structured Finance	133	145	127	111	107	105	297	117
Global Banking	1,251	1,419	1,376	1,355	1,347	1,438	1,455	1,328
Financial & Equity Capital Markets	771	893	804	765	718	808	841	704
Payments & Cash Management	331	364	413	426	433	441	422	448
Other transaction services	149	162	159	164	196	189	192	176
Balance Sheet Management	924	841	890	833	1,280	926	835	697
Principal Investments	99	76	12	22	76	71	53	(75)
Debit valuation adjustment	-	-	-	-	-	-	-	518
Other	(41)	(26)	(63)	(9)	(47)	(90)	(226)	(46)
Net operating income	5,145	4,544	3,498	3,870	5,799	4,536	4,319	3,619

Notes:

1 Net operating income before Loan Impairment Charges and other credit risk provisions

2 Fines and penalties for inadequate compliance with anti-money laundering and sanction laws

3 An amount of USD(903)m is included in the above, within Global Markets, in Q4 2012 relating to the change in credit valuation adjustment methodology: Credit USD(52)m, Rates USD(837)m, Foreign Exchange USD(7)m and Equities USD(7)m

Notable items¹

USDm	31-Mar-11	30-Jun-11	30-Sep-11	31-Dec-11	31-Mar-12	30-Jun-12	30-Sep-12	31-Dec-12
Revenue								
Non-qualifying hedges	(60)	(254)	(1,273)	195	119	(581)	100	66
Ping An contingent forward sale contract	-	-	-	-	-	-	-	(553)
Refinement of PVIF calculation	-	243	-	-	-	-	-	-
Gain on sale of non core investment in India	-	-	-	-	-	275	39	-
Loss recognised following the reclassification of businesses to Held for sale	-	-	-	-	-	(137)	(21)	62
Operating Expenses								
UK Bank Levy	-	-	-	(570)	34	-	58	(564)
UK Pension credit	-	587	-	-	-	-	-	-
UK customer redress programmes	(440)	(171)	(19)	(268)	(468)	(877)	(353)	(640)
Restructuring and other related costs	(167)	(310)	(195)	(450)	(260)	(303)	(97)	(216)
US mortgage foreclosure and servicing costs	-	-	-	(257)	-	-	-	(104)
Fines and penalties for inadequate compliance with anti-money laundering and sanction laws	-	-	-	-	-	(700)	(800)	(421)

Note:

¹ Notable items included within the underlying results as reported

Summary income statements for disposals, held for sale and run-off portfolios, 2012

Summary income statements for disposals, held for sale and run-off portfolios

	Disposals, held for sale and run-off portfolios					
	Cards and Retail Services	Ping An	Other Disposals	Held for Sale ex US CML	Run-off portfolios	
					US CML + Other	Legacy Credit in GBM
Revenue ¹	1,669	-	665	417	1,623	(11)
LICs	(322)	-	(16)	(77)	(2,569)	(168)
Net operating income/(expense)	1,347	-	649	340	(946)	(179)
Total operating expenses	(729)	-	(467)	(344)	(1,106)	(101)
Operating profit	618	-	182	(4)	(2,052)	(280)
Share of profit in JV's and associates	-	763	12	9	2	-
Profit/(loss) before tax	618	763	194	5	(2,050)	(280)
By Geographical Region						
Europe	-	-	(1)	-	-	(281)
Hong Kong	-	-	45	-	-	1
Rest of Asia-Pacific	-	763	(31)	22	-	(2)
Middle East and North Africa	-	-	46	-	-	-
North America	618	-	25	(25)	(2,050)	2
Latin America	-	-	110	8	-	-
Profit/(loss) before tax	618	763	194	5	(2,050)	(280)
By Global Business						
Retail Banking and Wealth Management	618	622	99	(29)	(1,274)	-
Commercial Banking	-	82	40	24	9	-
Global Banking and Markets	-	59	65	28	-	(280)
Global Private Banking	-	-	(9)	-	-	-
Other	-	-	(1)	(18)	(785)	-
Profit/(loss) before tax	618	763	194	5	(2,050)	(280)

Note:

¹ Net operating income before LIC and other credit risk provisions, also referred to as 'revenue'

Group announced transactions

Transactions	Region	Country	Date of Ann.	Transaction	Status
1	North America	Bermuda	10-Mar-11	Sale of HSBC Insurance Holdings (Bermuda) Limited, HSBC Insurance SPC Limited and the insurance management business and assets of HSBC (Cayman) Limited and HSBC Insurance Agency (USA) Inc	Completed
2	Latin America	Mexico	11-Apr-11	Sale of HSBC Afore S.A de.C.V	Completed
3	Europe	Russia	14-Jun-11	Sale of certain elements of Russia RBWM operations	Completed
4	Europe	UK	11-Jul-11	Sale of HSBC Insurance (UK) Limited	Completed
5	MENA	Kuwait	09-Oct-11	Closure of Kuwait RBWM business	Completed
6	Europe	Poland	28-Jul-11	Closure of retail banking operations in Poland	Not completed
7	North America	USA	31-Jul-11	Sale of 195 US non-strategic branches	Completed
8	North America	USA	10-Aug-11	Sale of US Card and Retail Services business	Completed
9	Europe	Georgia	07-Sep-11	Closure of Georgia business	Not completed
10	North America	Canada	20-Sep-11	Sale of HSBC Securities (Canada) Inc's full service retail brokerage business	Completed
11	Latin America	Chile	29-Sep-11	Sale of Chile RBWM operations	Completed
12	North America	Canada	03-Oct-11	Sale of Canadian private equity fund management and mezzanine debt business	Completed
13	Europe	Hungary	10-Oct-11	Sale of Hungarian consumer finance portfolio	Completed
14	North America	USA	14-Oct-11	Sale of private equity and mezzanine funds in the United States and Latin America	Completed
15	MENA	Iraq	18-Dec-11	Sale of Dar Es Salaam Investment Bank's 19.465% stake in Dar Es Salaam Insurance	Completed
16	Asia	Japan	21-Dec-11	Sale of Japan private banking business	Completed
17	Europe	Malta	28-Dec-11	Sale of card acquiring business in Malta	Completed
18	Latin America	Costa Rica, El Salvador and Honduras	24-Jan-12	Sale of operations in Costa Rica, El Salvador and Honduras	Completed
19	Asia	Thailand	25-Jan-12	Sale of RBWM operations in Thailand	Completed
20	Asia	Japan	22-Feb-12	Closure HSBC Premier service in Japan	Not completed
21	Asia	Hong Kong and Singapore	07-Mar-12	Sale of general insurance businesses	Completed
22	Latin America	Argentina	07-Mar-12	Sale of HSBC La Buenos Aires Seguros S.A (general insurance manufacturing)	Completed
23	Latin America	Mexico	07-Mar-12	Sale of general insurance businesses	Not completed
24	Asia	Hong Kong	07-Mar-12	Sale of Hang Seng General Insurance (Hong Kong) Company Limited	Completed
25	North America	Canada	21-Mar-12	Closure of consumer finance business in Canada	Not completed
26	MENA	UAE	23-Mar-12	Sale of HSBC Private Equity Middle East Limited	Completed
27	Europe	Slovakia	27-Mar-12	Closure of Slovakia operations	Not completed
28	Europe	UK	05-Apr-12	Sale of minority stake in Montagu Private Equity LLP	Completed
29	Latin America	Colombia, Peru, Uruguay and Paraguay	11-May-12	Sale of businesses in Colombia, Peru, Uruguay and Paraguay	Not completed
30	Europe	Greece	07-Jun-12	Sale of our equities broking business in Greece, HSBC Securities S.A	Completed
31	Asia	Philippines	28-Jun-12	Sale of 34.07% shareholding in a Property company	Completed
32	Asia	India	28-Jun-12	Sale of our non-core investment in Axis Bank Limited	Completed
33	Asia	India	28-Jun-12	Sale of our non-core investment in Yes Bank Limited	Completed
34	Europe	Monaco	06-Jul-12	Sale of part of private bank client portfolio in Monaco	Completed
35	Europe	Ireland	09-Jul-12	Sale of HSBC Reinsurance Ltd and HSBC Insurance (Ireland) Ltd	Completed
36	Asia	Multi-country	26-Jul-12	Sale of 44% shareholding in Global Payments Asia-Pacific Limited	Completed
37	Multi-region	Multi-country	02-Aug-12	Sale of HSBC Shipping Services Limited	Completed
38	North America	USA	06-Sep-12	Sale of the insurance manufacturing business in Household Insurance Group Holding Company	Not completed
39	MENA	Pakistan	10-Sep-12	Sale of banking business in Pakistan	Not completed
40	Europe	UK	01-Oct-12	Sale of Property Vision Holdings Limited	Completed
41	Asia	Taiwan	26-Oct-12	Sale the assets and liabilities, other than the statutory deposits, of the Taiwan branch of HSBC Life (International) Limited	Not completed
42	Asia	China	05-Dec-12	Sale of our 15.57% shareholding in Ping An Insurance (Group) Company of China, Ltd.	Completed
43	Asia	Vietnam	20-Dec-12	Sale of our 18% shareholding in Bao Viet Holdings	Not completed
44	Europe	Greece	23-Jan-13	Sale of 73% shareholding in HSBC (Hellas) Mutual Funds Management SA	Not completed
45	Europe	France	28-Jan-13	Sale of HSBC Assurances IARD	Not completed
46	Latin America	Panama	19-Feb-13	Sale of HSBC Bank (Panama) S.A.	Not completed
47	Europe	UK	01-Mar-13	Sale of a portfolio of secured loans by HFC Bank Limited and its subsidiaries	Completed

Photography: Matthew Mawson

Issued by HSBC Holdings plc

Group Investor Relations

8 Canada Square

London E14 5HQ

United Kingdom

Telephone: 44 020 7991 8041

www.hsbc.com

Cover: Financing trade has always been at the heart of HSBC's business, especially in our home market of Hong Kong. Today, Hong Kong International Airport is the world's busiest air cargo hub, with its freight volume accounting for over one-third of the total value of Hong Kong's external trade.

Cover designed by Creative Conduct Ltd, London. 02/13

Cover printed by Service Point UK Limited, London; inside pages printed by Global Publishing Services, HSBC Bank plc, London