

HSBC at a Glance:

Our regions

HSBC is 'the world's local bank'. Founded in Hong Kong and Shanghai in 1865, we now serve around 95 million customers in 87 countries and territories around the world. Headquartered in London, we do business in Asia, Europe, the Middle East, Latin America and North America. HSBC was profitable in all regions in 2010.

Europe

Overview

Profits from Personal Financial Services and Commercial Banking showed strong growth, but this was offset by a lower contribution from Global Banking and Markets as client activity fell. We continued to build long-term relationships by increasing the number of Premier and Advance customers, growing loans and advances to customers in our Personal Financial Services business by 3 per cent, and expanding our total UK mortgage market share to 5.2 per cent. In Commercial Banking, we remained open for business, increasing new lending to small and medium-sized enterprises in the UK by 19 per cent and further expanding export finance.

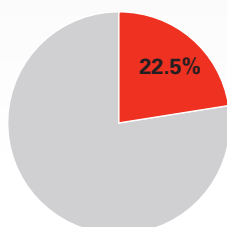


Highlights of 2010

- Increased net lending by US\$17.1 billion or 4 per cent.
- Supported 2,400 new business start-ups each week in the UK.

Contribution to profit before tax

US\$4,138m



Hong Kong

Overview

HSBC is the number one bank in Hong Kong and we consolidated our position in 2010, supported by another strong financial performance. Profitability increased, driven by revenue growth, as we capitalised on improved economic conditions. Key contributors were higher sales of insurance and investment products, and increased volumes of lending and trade. Our Commercial Banking lending balances grew by 73 per cent. Our commercial and personal customer numbers, including Premier, also increased. We developed our offshore renminbi proposition where we maintained our position as a market leader.

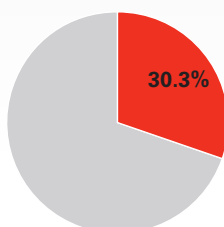


Highlights of 2010

- Number one provider of mortgages, cards, life insurance and deposits.
- 'Best Bank in Hong Kong': *Euromoney*.

Contribution to profit before tax

US\$5,562m



Rest of Asia-Pacific

Overview

HSBC is the leading international bank in mainland China. Across the region, profits rose significantly in 2010, at the same level as Hong Kong for the first time. Lending volumes increased across the region, and we continued to target growth in priority markets. We doubled cross-regional referrals, winning new business in mainland China, Singapore, Australia and Malaysia. We opened our 100th branch in mainland China, expanded the number of Amanah branches in Malaysia by four, and announced our third investment in India in two years.

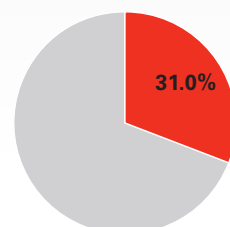


Highlights of 2010

- Topped Asian bond league tables (excluding Japan) with 359 deals worth over US\$27 billion.
- Maintained our leadership in renminbi product development, with renminbi capabilities in 36 countries across six continents.

Contribution to profit before tax

US\$5,691m



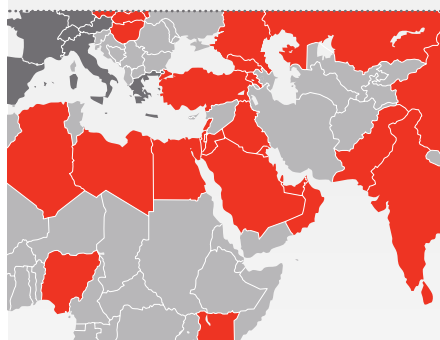
Unless otherwise stated, our performance is presented and discussed on pages 2 to 5 on an underlying basis, eliminating the effects of foreign currency translation differences, acquisitions and disposals of subsidiaries and businesses, and fair value movements on own debt attributable to credit spread, all of which distort year-on-year comparisons.

Key to maps:
 ■ Emerging markets
 ■ Developed markets
 ■ No HSBC representation

Middle East

Overview

HSBC is the leading international bank in the Middle East, where we have been doing business for over 50 years. Profits doubled in 2010 as we managed down higher risk loan portfolios. Loan impairment charges fell significantly and lending volumes rose. We capitalised on our global connectivity to support business and trade flows between the region and the rest of the world, particularly mainland China and India.

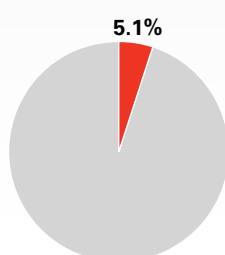


Highlights of 2010

- Net new Premier customers increased by 35,000.
- 'Leading Trade Services Bank in the Middle East and North Africa': *Global Trade Review*; 'Best Investment Bank in the Middle East': *Euromoney*.

Contribution to profit before tax

US\$934m



North America

Overview

HSBC returned to profit in North America in 2010. This improved performance was largely due to a marked decline in loan impairment charges, as we continued to reposition our core businesses and manage down our run-off assets. Our Card and Retail Services business remained profitable, as it was throughout the financial crisis. Profits doubled in Canada where we expanded our Commercial Banking business. We also increased Premier customer numbers by 37 per cent across the region with 190,000 net new customers and opened five new branches in three US states.

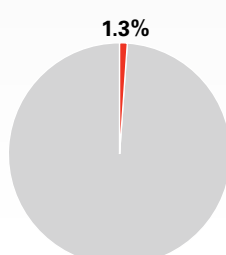


Highlights of 2010

- Made a profit before tax for the first time since 2006.
- Card and Retail Services business recorded pre-tax profits of US\$2 billion.

Contribution to profit before tax

US\$246m



Latin America

Overview

Profitability recovered by nearly 50 per cent. Loan impairment charges fell markedly, due to improved economic conditions and following our steps to manage down higher-risk portfolios and strengthen underwriting and collection processes. We grew lending by a healthy 17 per cent, driven by Commercial and Global Banking.



Highlights of 2010

- Highest ever profits in Brazil – over US\$1 billion for the first time.
- Completed first-ever renminbi trade settlement in South America.

Contribution to profit before tax

US\$1,795m

