

# News Release

27 February 2012

## **HSBC HOLDINGS PLC REPORTS PRE-TAX PROFIT OF US\$21,872 MILLION**

HSBC made a profit before tax of US\$21,872m, an increase of US\$2,835m, or 15%, compared with 2010.

Net interest income of US\$40,662m was US\$1,221m, or 3%, higher than 2010.

Net operating income before loan impairment charges and other credit risk provisions of US\$72,280m was US\$4,033m, or 6%, higher than 2010.

Total operating expenses of US\$41,545m rose by US\$3,857m, or 10%, compared with 2010. On an underlying basis operating expenses were up 8% compared with 2010.

HSBC's cost efficiency ratio was 57.5% compared with 55.2% in 2010.

Return on average ordinary shareholders' equity 10.9%, up from 9.5% in 2010, including fair value on debt.

Profit attributable to ordinary shareholders of US\$16.2bn, up 27% on 2010.

Earnings per share US\$0.92, up 26% on 2010.

Dividends declared in respect of 2011 US\$0.41 per ordinary share, up 14% on 2010, with a fourth interim dividend for 2011 of US\$0.14 per ordinary share.

Loan impairment charges and other credit risk provisions were US\$12,127m in 2011, US\$1,912m lower than 2010.

The core tier 1 ratio and tier 1 ratio for the Group remained strong at 10.1% and 11.5%, respectively, at 31 December 2011.

The Group's total assets at 31 December 2011 were US\$2,556bn, an increase of US\$101bn, or 4%, since 31 December 2010.

### **Stuart Gulliver, Group Chief Executive said:**

"2011 was a year of major progress for HSBC. We gained traction in our strategy designed to simplify the structure and improve the management and control of the

This information is issued by

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Group, thereby improving returns and positioning HSBC for growth. We recorded a strong performance in faster-growing markets and had a record year in commercial banking. I am pleased with our progress but there is a lot more to do and we remain focused on delivering our targets.”

## **THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED 2011 CONSOLIDATED RESULTS – HIGHLIGHTS**

Net operating income before loan impairment charges and other credit risk provisions up 12% to HK\$147,170m (HK\$131,566m in 2010).

Pre-tax profit up 17% to HK\$91,370m (HK\$77,885m in 2010).

Attributable profit up 17% to HK\$67,591m (HK\$57,597m in 2010).

Return on average shareholders' equity of 21.6% (21.1% in 2010).

Assets up 11% to HK\$5,607bn (HK\$5,040bn at 31 December 2010).

Capital adequacy ratio of 14.6%; core capital ratio of 12.4%. (Capital adequacy ratio of 14.7%; core capital ratio of 11.7% at 31 December 2010).

Cost efficiency ratio of 46.1% (45.8% for 2010).

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### **Notes to Editors:**

#### **HSBC Vietnam**

HSBC has been in Vietnam for 140 years – the Bank first opened an office in Saigon (now Ho Chi Minh City) in 1870. HSBC was the first foreign bank to launch its locally incorporated entity on 1 January 2009 as HSBC Bank (Vietnam) Ltd. The Bank's current network includes one transaction centre, one branch and five transaction offices in Ho Chi Minh City, one branch, three transaction offices and one deposit office in Hanoi, and four full-service branches in Binh Duong, Can Tho, Da Nang and Dong Nai provinces and one representative office in Hai Phong. HSBC is one of the largest foreign banks in the country in terms of investment capital, network, product range, staff and customer base.

#### **The Hongkong and Shanghai Banking Corporation Limited**

The Hongkong and Shanghai Banking Corporation Limited is the founding and a principal member of the HSBC Group which, with 7,200 offices in 85 countries and territories and assets of US\$2,556 billion at 31 Dec 2011, is one of the world's largest banking and financial services organisations.