

News Release

7 May 2013

HSBC HOLDINGS PLC FIRST QUARTER 2013- RESULTS HIGHLIGHTS

- Reported profit before tax ('PBT') for the first quarter of 2013 ('1Q13') was US\$8.4bn, up 95% compared with the first quarter of 2012 ('1Q12'). This included adverse movements of US\$0.2bn on the fair value of our own debt (1Q12: US\$2.6bn) and gains of US\$1.1bn from disposals and the reclassification of an associate (1Q12: US\$0.2m).
- Underlying PBT for 1Q13 was US\$7.6bn, up 34% compared with 1Q12. This primarily reflected higher revenue of US\$0.8bn and lower loan impairment charges of US\$0.9bn, with a notable improvement in our US Consumer and Mortgage Lending ('CML') portfolio.
- Underlying revenue included a net gain of US\$0.6bn on completion of the sale of our remaining shareholding in Ping An and a US\$0.5bn favourable debit valuation adjustment on derivative contracts. Remaining revenue was broadly unchanged. We achieved revenue growth in key areas including residential mortgages and Commercial Banking in both our home markets of Hong Kong and the UK, and Financing and Equity Capital Markets.
- Underlying operating expenses were down 2% compared with 1Q12. We achieved US\$0.4bn of additional sustainable cost savings during the quarter.
- Underlying cost efficiency ratio improved to 53.2% in 1Q13 from 56.9% in 1Q12.
- Core tier 1 capital ratio was 12.7% at 31 March 2013, up from 12.3% at 31 December 2012.

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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 6,600 offices in 80 countries and territories and assets of US\$2,681 billion at 31 Mar 2013, is one of the world's largest banking and financial services organisations.