

HSBC Holdings plc Interim Results 2013 **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, capital position 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 Interim Report. 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.

Interim results 2013 Highlights

• Reported profit before tax ('PBT') in 1H13 increased by 10% to USD14.1bn. Underlying¹ PBT increased by 47% to USD13.1bn

ROE 12% for 1H13

- Continued progress on delivering our strategy:
 - Revenue growth in key areas
 - Achieved additional sustainable cost savings
 - Continued to reshape the business

Note:

Underlying basis eliminates effects of foreign currency translation differences, acquisitions, disposals and changes in ownership levels of subsidiaries, associates, joint ventures 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

Interim results 2013 Financial highlights¹

Summary financial highlights

				% bette	er/(worse)
	1H12	2H12	1H13	1H13 vs 1H12	1H13 vs 2H12
Reported PBT (USDbn)	12.7	7.9	14.1	10	78
Underlying PBT (USDbn)	8.9	6.5	13.1	47	100
EPS (USD)	0.45	0.29	0.54	20	86
Dividends ² (USD)	0.18	0.27	0.20	11	n/a

Key ratio %

	1H12	2H12	1H13	KPI
Return on average ordinary shareholders' equity	10.5	6.5	12.0	12 – 15
Cost efficiency ratio	57.5	69.1	53.5	48 – 52 ³
Advances-to-deposits ratio	76.3	74.4	73.7	≤ 90
Core tier 1 ratio	11.3	12.3	12.7	9.5 – 10.5
Common equity tier 1 ratio ⁴	n/a	9.5	10.1	> 10.0

All figures are as reported unless otherwise stated
 Declared in respect of the period
 CER target for 2014-16 is mid 50s

^{4.} Estimated CRD IV end-point CET1 ratio after planned mitigation of immaterial holdings based on our interpretation of the July 2011 draft CRD IV regulation, supplemented by UK regulator guidance for 31 December 2012 and Final CRR rules for 30 June 2013. Refer to Estimated effect of CRD IV end-point rules table on page 188 and basis of preparation on page 197 in the Interim Report 2013

Interim results 2013

Regional, country and business profit contributions

Geographical regions

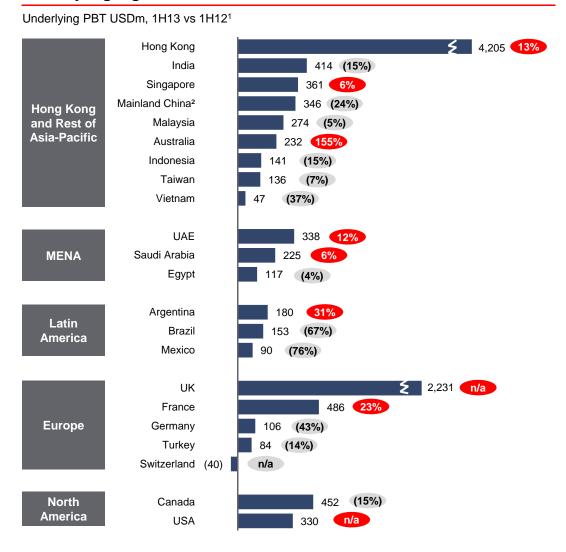
Underlying PBT (USDbn)	1H12	2H12	1H13	% better/(worse) 1H13 vs 1H12
Hong Kong	3.7	3.4	4.2	13
Rest of Asia-Pacific	3.3	2.4	3.9	18
MENA	0.7	0.6	0.9	24
Latin America	0.9	1.2	0.4	(53)
Europe	1.0	(0.4)	2.8	193
North America	(8.0)	(0.7)	0.8	n/a
Total	8.9	6.5	13.1	47

Global businesses

Underlying PBT (USDbn)	1H12	2H12	1H13	% better/(worse) 1H13 vs 1H12
Commercial Banking	4.0	3.7	4.1	4
Global Banking and Markets	4.8	3.2	5.7	20
Retail Banking Wealth Management	1.3	2.7	3.3	150
Global Private Banking	0.5	0.5	0.1	(76)
Other	(1.6)	(3.5)	(0.2)	86
Total	8.9	6.5	13.1	47

Notes:

Country highlights



^{1.} Percentage change for 1H13 vs 1H12 included in bubble

Also excludes mainland China associates and the net gain on completion of the sale of our investment in Ping An of USD553m

Financial overview Summary of reported results

Summary of reported results

				% better/	(worse)
(USDbn)	1H12	2H12	1H13	1H13 vs 1H12	1H13 vs 2H12
Revenue ¹ excluding FVOD ²	39.1	34.4	34.4	(12)	-
LICs ³	(4.8)	(3.5)	(3.1)	35	11
Net operating income, excluding FVOD	34.3	30.9	31.3	(9)	1
Operating expenses	(21.2)	(21.7)	(18.4)	13	15
Associates and joint ventures	1.8	1.7	1.2	(34)	(29)
Profit before tax, excluding FVOD	14.9	10.9	14.1	(5)	29
Changes in FVOD	(2.2)	(3.0)	-	99	99
Profit before tax	12.7	7.9	14.1	10	78
Tax	(3.6)	(1.7)	(2.7)	25	(62)
Profit after tax	9.1	6.2	11.3	25	82
Profit attributable to ordinary shareholders of the parent company	8.2	5.3	10.0	23	89

Revenue is net operating income before loan impairment charges and other credit risk provisions
 Fair value movements on own debt attributable to movements in credit spreads
 Loan impairment charges and other credit risk provisions

Financial overview Underlying performance¹

				% better/	(worse)
(USDbn)	1H12	2H12	1H13	1H13 vs 1H12	1H13 vs 2H12
Revenue ²	32.1	30.4	33.3	4	10
LICs ³	(4.4)	(3.5)	(3.1)	29	11
Operating expenses	(19.9)	(21.4)	(18.3)	8	14
Profit before tax	8.9	6.5	13.1	47	100

Notable items⁴

(USDbn)	1H12	2H12	1H13
Revenue			
Ping An contingent forward sale contract	-	(0.6)	-
Net gain on completion of Ping An disposal	_	_	0.6
Operating expenses			
Restructuring and other related costs	(0.6)	(0.3)	(0.2)
UK customer redress programmes	(1.3)	(1.0)	(0.4)
Fines and penalties for inadequate compliance with anti-money laundering and sanction laws	(0.7)	(1.2)	-

- See pages 19-21 of the 2013 Interim Accounts for details on disposal gains and reconciliation of reported and underlying results
 Net operating income before LICs

- Loan impairment charges and other credit risk provisions
 Notable items included within underlying results as reported

Revenues^{1,2}

Movement in underlying revenue	Total
1H12 underlying revenue	32.1
Net favourable movement on non-qualifying hedges	0.8
Net gain on completion of the disposal of our investment in Ping An	0.6
Debit valuation adjustment	0.5
FX gains on sterling debt issued by HSBC Holdings	0.4
Reclassification of Monaco business in GPB to 'Assets held for sale'	(0.3)
Loss on sale of an HFC Bank UK secured loan portfolio	(0.1)
Remaining revenue:	
CMB	0.1
GB&M	0.1
RBWM:	
US run-off portfolio (0.6)	
Rest of RBWM 0.3	
RBWM, total	(0.3)
GPB	(0.1)
Other ³	(0.4)
1H13 underlying revenue	33.3

Commercial Banking

- Balance sheet growth primarily from term and trade related lending partially offset by spread compression. NII up 1%
- Fee income up 6% reflecting increased lending fees and collaboration with other Global Businesses

Global Banking and Markets

- Credit (excluding legacy credit) +29% from strong volumes in primary market issuances. Financing and ECM +20% from higher spreads
- Equities +34% reflecting strong client flows and increased market share in Asia. FX +7% from higher client volumes
- Rates -31% as prior period benefitted from ECB's LTRO. BSM -23% due to reinvestment at lower rates and lower gains on AFS disposal

Retail Banking and Wealth Management

- Higher mortgage volume and wider spreads in UK and Hong Kong
- Higher NFI +8% mainly from investment product sales in Hong Kong
- US run-off portfolio revenues down USD0.6bn primarily due to USD0.3bn loss on disposal of NRE and USD0.2bn losses on the early termination of cash flow hedges

Global Private Banking

- Negative net new money, mainly in Europe
- Reduced NII from lower reinvestment rates

- All data on an underlying basis except where otherwise stated
 Net operating income before loan impairment charges and other risk provisions
 Other includes inter-segment of USD3.0bn in 1H12 and USD2.7bn in 1H13

Operating expenses¹

					Better/(v	worse)
(USDbn)		1H12		1H13	USDbn	%
Underlying operating expenses		19.9		18.3	1.6	8
UK customer redress programmes	1.3		0.4			
Fines and penalties for past inadequate compliance with antimoney laundering and sanction laws	0.7		-			
Restructuring and other related costs	0.6		0.2			
		2.6		0.7		
Remaining operating expenses		17.3		17.6	(0.3)	(2)
1H13 incremental sustainable cost savings		-		0.8		
Staff numbers (full-time equivalent – 000s)		271.5		259.4	12.1	4

Cost efficiency ratios and jaws

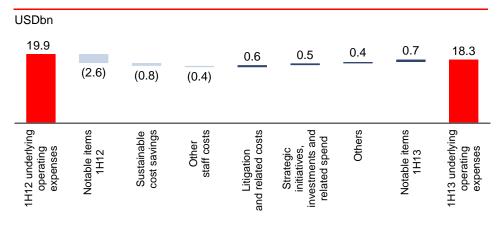
	CER	CER		
	1H12	1H13	1H13 vs 1H12	
Reported (%)	57.5	53.5	6.4	
Underlying (%)	62.1	55.0	11.8	

Notes:

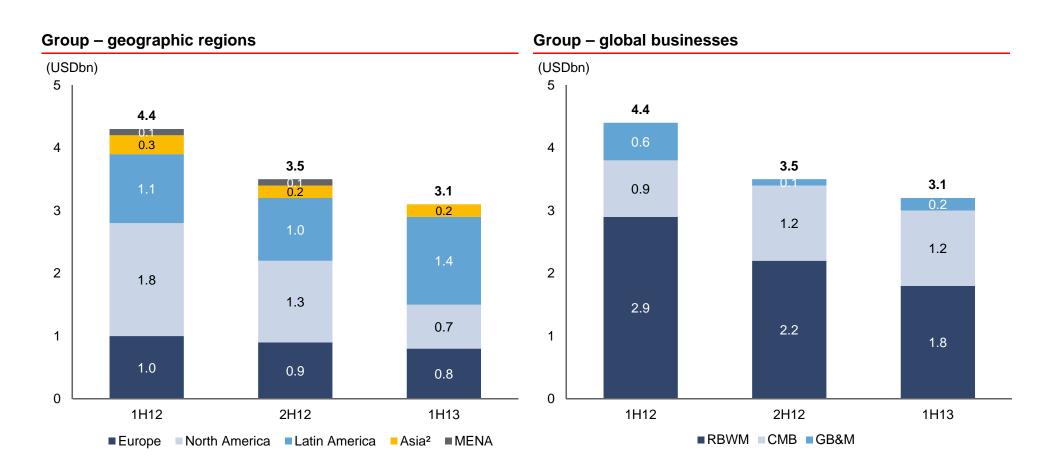
- Analysis of underlying HSBC costs showing key cost drivers and the impact of management cost control initiatives
- Calculated as percentage growth in net operating income before loan impairment charges and other credit risk provisions less percentage growth in total operating expenses

- Sustainable cost savings in 1H13 (USD0.8bn)
- Ill-health benefits credit in UK (USD0.4bn) and lower performance related pay (USD0.3bn) partly offset by wage inflation
- Litigation and related costs increased by USD0.6bn
- Strategic initiatives, investments and related spend of USD0.5bn

Group: Key movements in underlying operating expenses, 1H12 vs 1H13



Credit quality Loan impairment charges¹



- US run-off portfolio (including held for sale) down USD6.6bn from 2H12 to USD36.1bn
- Higher in Mexico from increased collective impairments in RBWM and individually assessed provisions in CMB particularly for homebuilders
- Impairment model changes and assumption revisions for restructured loan portfolios in Brazil in RBWM and CMB, partly offset by improvement in portfolio quality

Notes:

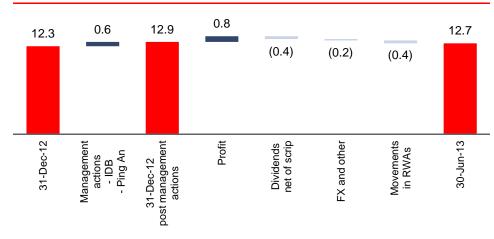
^{1.} Loan impairment charges and other credit risk provisions, on an underlying basis

Data for 'Asia' comprises the sum of Hong Kong and the Rest of Asia Pacific geographical regions without the elimination of inter-segments

Capital adequacy

Movement in Core tier 1 capital (USDbn)	
At 31 December 2012	138.8
Profit	10.3
Dividend, net of scrip	(4.8)
Other	(3.4)
At 30 June 2013	140.9

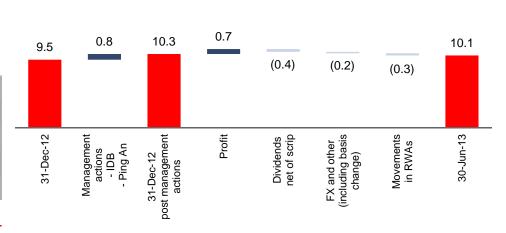
Basel '2.5' Core tier 1 ratio movement (%)



Movement in risk-weighted assets (USDbn)

At 31 December 2012	1,123.9
Operational, market and counterparty credit risk	12.3
Credit risk (standardised approach)	(28.4)
Credit risk (IRB approach)	(3.0)
– FX and other	(11.7)
- Book size	6.6
Acquisitions and disposals	(9.8)
- Book quality	0.6
Model and methodology changes	11.3
At 30 June 2013	1,104.8

CRD IV Common equity tier 1 ratio¹ movement (%)



Note

Estimated CRD IV end-point CET1 ratio after planned mitigation of immaterial holdings based on our interpretation of the July 2011 draft CRD IV regulation, supplemented by UK regulator guidance for 31 December 2012 and Final CRR rules for 30 June 2013. Refer to Estimated effect of CRD IV end-point rules table on page 188 and basis of preparation on page 197 in the Interim Report 2013

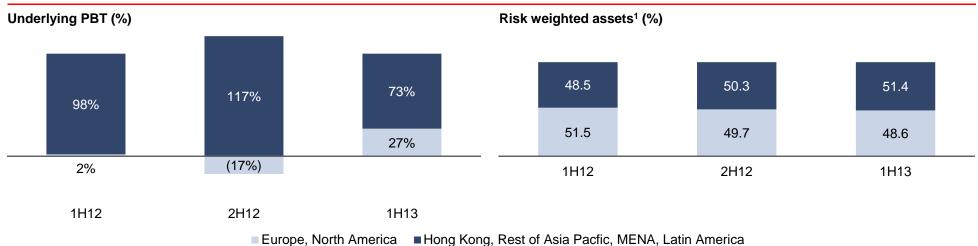
Profitability Drivers of returns

Group RoE1 (%) 1.8 2.0 10.5 Constant of CRS + Ping An + Industrial Bank on disposals/ acquisitions² acquisitions² acquisitions² acquisitions increase 1413 1413 Constant of CRS + Ping An +

Group RoRWA (%)

	1H12	2H12	1H13
Reported	2.1	1.4	2.6
Underlying	1.6	1.2	2.4
Underlying, ex run-off portfolios	2.3	1.5	2.8
- of which notable items	(0.5)	(0.7)	-

Faster growing markets vs developed markets, distribution of profit and RWAs



Notes:

Reported basis

2. Includes net gain on completion of the sale of our investments in Ping An

Outlook

 Signs of improvement in Eurozone. US economy growing well. Faster growing markets will continue to account for majority of global growth over long term

- Next phase of delivering strategy to focus on
 - Grow business and dividends
 - Implement global standards
 - Streamline our processes and procedures

Photography: Matthew Mawson

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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. 07/13

HSBC HOLDINGS PLC

APPENDIX TO THE PRESENTATION TO INVESTORS AND ANALYSTS

30 June 2013

Consolidated summary income statement

			Quarter e	nded		
	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar
	2013	2013	2012	2012	2012	2012
	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m
Revenue ¹ (excluding FVOD) Loan impairment charges and other credit risk	15,732	18,659	18,179	16,299	20,222	18,845
provisions	(1,945)	(1,171)	(1,792)	(1,720)	(2,433)	(2,366)
Net operating income (excluding FVOD)	13,787	17,488	16,387	14,579	17,789	16,479
Total operating expenses	(9,052)	(9,347)	(11,444)	(10,279)	(10,851)	(10,353)
Share of profit in associates and joint ventures	678	536	800	914	1,003	840
Changes in FVOD	224	(243)	(1,312)	(1,733)	474	(2,644)
Profit before tax	5,637	8,434	4,431	3,481	8,415	4,322
	%	%	%	%	%	%
Return on average ordinary shareholders' equity						
(annualised)	9.1	14.9	7.1	5.8	14.6	6.4
Cost efficiency ratio	56.7	50.8	67.8	70.6	52.4	63.9
Cost efficiency ratio (excluding FVOD)	57.5	50.1	63.0	63.1	53.7	54.9

 $^{1\ \ \}textit{Net operating income before loan impairment charges and other credit\ risk\ provisions.}$

Profit/(loss) before tax by geographical region

	Quarter ended					
	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar
	2013	2013	2012	2012	2012	2012
	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m
Europe	973	1,795	(2,530)	(217)	330	(997)
Asia	3,748	5,514	6,202	3,695	4,212	3,921
Hong Kong	2,047	2,158	2,031	1,790	1,864	1,897
Rest of Asia-Pacific	1,701	3,356	4,171	1,905	2,348	2,024
Middle East and North Africa	385	524	302	276	440	332
North America	526	140	(129)	(926)	2,892	462
Latin America	5	461	586	653	541	604
	5,637	8,434	4,431	3,481	8,415	4,322

Profit/(loss) before tax by global business

Quarter ended					
30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar
2013	2013	2012	2012	2012	2012
US\$m	US\$m	US\$m	US\$m	US\$m	US\$m
1,700	1,567	1,654	1,511	4,228	2,182
1,946	2,187	1,858	2,248	2,225	2,204
2,135	3,588	1,226	2,247	1,968	3,079
233	(125)	230	252	241	286
(377)	1,217	(537)	(2,777)	(247)	(3,429)
224	(243)	(1,312)	(1,733)	474	(2,644)
_	_	(421)	(800)	(700)	_
(9)	_	(564)	58	_	34
5,637	8,434	4,431	3,481	8,415	4,322
	2013 US\$m 1,700 1,946 2,135 233 (377) 224	2013 2013 US\$m US\$m 1,700 1,567 1,946 2,187 2,135 3,588 233 (125) (377) 1,217 224 (243) - (9)	30 Jun 31 Mar 31 Dec 2013 2013 2012 US\$m US\$m US\$m 1,700 1,567 1,654 1,946 2,187 1,858 2,135 3,588 1,226 233 (125) 230 (377) 1,217 (537) 224 (243) (1,312) - (421) (564)	30 Jun 31 Mar 31 Dec 30 Sep 2013 2013 2012 2012 US\$m US\$m US\$m US\$m 1,700 1,567 1,654 1,511 1,946 2,187 1,858 2,248 2,135 3,588 1,226 2,247 233 (125) 230 252 (377) 1,217 (537) (2,777) 224 (243) (1,312) (1,733) - (421) (800) - (564) 58	30 Jun 31 Mar 31 Dec 30 Sep 30 Jun 2013 2013 2012 2012 2012 US\$m US\$m US\$m US\$m US\$m 1,700 1,567 1,654 1,511 4,228 1,946 2,187 1,858 2,248 2,225 2,135 3,588 1,226 2,247 1,968 233 (125) 230 252 241 (377) 1,217 (537) (2,777) (247) 224 (243) (1,312) (1,733) 474 - (9) (564) 58 (700)

Europe profit/(loss) before tax by global business

	Quarter ended					
	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar
	2013	2013	2012	2012	2012	2012
	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m
Retail Banking and Wealth Management	556	400	293	308	(146)	54
Commercial Banking	541	545	17	417	292	482
Global Banking and Markets	232	1,336	(470)	413	92	951
Global Private Banking	128	(242)	119	144	71	165
Other	(484)	(244)	(2,489)	(1,499)	21	(2,649)
Includes:						
FVOD	157	(154)	(1,079)	(1,426)	345	(1,950)
HSBC Holdings:						
Operating expenses	(282)	(321)	(367)	(305)	(260)	(284)
Fines and penalties for inadequate compliance		_	(375)			
with anti-money laundering and sanction laws	_			_	_	_
UK Bank levy	(9)	_	(564)	58	_	34
	973	1.795	(2,530)	(217)	330	(997)

Global Banking and Markets

Management view of revenue¹

	Quarter ended						
	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar	
	2013	2013	2012	2012	2012	2012	
	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	
Global Markets	2,481	2,848	1,187	2,192	2,181	3,133	
Credit	261	409	124	285	65	305	
Rates	422	814	(397)	363	611	1,194	
Foreign Exchange	962	871	746	736	776	957	
Equities	265	266	143	140	211	185	
Securities Services	442	405	454	371	413	385	
Asset and Structured Finance	129	83	117	297	105	107	
Global Banking	1,411	1,436	1,227	1,354	1,337	1,246	
Financing and Equity Capital Markets	778	831	619	756	723	633	
Payments and Cash Management	439	423	432	406	425	417	
Other transaction services	194	182	176	192	189	196	
Balance Sheet Management	704	976	697	835	926	1,280	
Principal Investments	140	14	(75)	53	71	76	
Debit valuation adjustment	(21)	472	518	_	_	_	
Other	131	70	65	(115)	21	64	
Revenue	4,846	5,816	3,619	4,319	4,536	5,799	

¹ In 1Q13 funding costs that had previously been reported within 'Other' were allocated to their respective business lines. For comparative purposes, 2012 quarterly data have been restated to reflect this change.

Commercial Banking

Management view of revenue¹

	Quarter ended							
	30 Jun 31 Mar 31 Dec 30 Sep 30 Jun							
	2013	2013	2012	2012	2012	2012		
	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m		
Global Trade and Receivables Finance ¹	746	713	725	762	753	726		
Credit and lending	1,520	1,488	1,603	1,585	1,532	1,528		
Payments and Cash Management ¹ , current								
accounts and savings deposits	1,304	1,275	1,372	1,347	1,338	1,314		
Insurance and investments	143	183	111	242	173	202		
Other	217	274	340	211	414	273		
Revenue	3,930	3,933	4,151	4,147	4,210	4,043		

^{1 &#}x27;Global Trade and Receivables Finance' and 'Payments and Cash Management' include revenue attributable to foreign exchange products.

Notable items

	Quarter ended					
	31 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar
	2013	2013	2012	2012	2012	2012
	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m
Revenue						
Net gain on completion of Ping An disposal	_	553	_	_	_	_
Other	_	553	_	_	_	_
Ping An contingent forward sale contract	_		(553)			
Other	_	_	(553)	_	_	_
Operating expenses						
Restructuring and other related costs	163	75	216	97	303	260
Retail Banking and Wealth management	70	15	67	16	77	106
Commercial Banking	21	13	9	11	34	8
Global Banking and Markets	1	8	29	2	18	14
Global Private Banking	5	1	6	15	16	21
Other	66	50	105	53	158	111
Other	00	30	103	33	130	111
UK customer redress programmes	248	164	640	353	877	468
Retail Banking and Wealth management	248	164	286	358	639	468
Commercial Banking	_	-	144	(5)	119	_
Global Banking and Markets	_	-	212	_	119	_
Global Private Banking	_	-	(2)			_
Fines and penalties for inadequate compliance						
with anti-money laundering and sanction laws	_	_	421	800	700	_
Other	-	_	421	800	700	_

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

• • • • • • • • • • • • • • • • • • • •	Half-year to 30 June 2013						
		Hair-year to		portfolios			
	Other disposals US\$m	Held for sale US\$m	US CML and other US\$m	Legacy credit in GB&M US\$m			
Net operating income/(expense)	13	316	833	113			
Loan impairment (charges)/recoveries and other credit risk provisions		(38)	(395)	97			
Net operating income/(expense)	13	278	438	210			
Total operating expenses	(27)	(203)	(618)	(57)			
Operating profit/(loss)	(14)	75	(180)	153			
Share of profit in associates and joint ventures	3						
Profit/(loss) before tax	(11)	75	(180)	153			
By geographical region Europe	8 - (1) - (21) 3	48 - (1) (2) 11 19	- - - (180)	120 (1) 1 - 33			
Profit/(loss) before tax	(11)	75	(180)	153			
By global business Retail Banking and Wealth Management Commercial Banking Global Banking and Markets Global Private Banking Other	(17) - 6 - -	3 25 21 49 (23)	(114) 4 - - (70)	153 - - -			
Profit/(loss) before tax	(11)	75	(180)	153			

US run-off portfolios

	Quarter ended						
	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar	
	2013	2013 ¹	2012	2012	2012	2012	
	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	
Net operating income before loan impairment							
charges and other credit risk provisions ²	394	399	809	587	151	849	
- of which:							
non-qualifying hedges	180	83	38	(48)	(425)	208	
Loan impairment charges and other credit risk	(79)	(317)	(494)				
provisions				(498)	(724)	(853)	
Net operating income/(expense)	315	82	315	89	(573)	(4)	
Total operating expenses	(229)	(402)	(481)	(238)	(177)	(207)	
Operating profit/(loss)	86	(320)	(166)	(149)	(750)	(211)	
Share of profit in associates and joint ventures \ldots	_		2				
Profit/(loss) before tax ²	86	(320)	(164)	(149)	(750)	(211)	

 ³¹ March 2013 includes the loss on sale and results of the US Insurance business.
 'Net operating income before loan impairment charges and other credit risk provisions' and 'Profit/(loss) before tax' exclude movements in fair value of own debt, and include the effect of non-qualifying hedges.

	Quarter ended						
	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar	
	2013	2013	2012	2012	2012	2012	
	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	
Loan portfolio information							
Loans and advances to customers (gross)	35,602	37,164	38,741	39,980	45,812	47,508	
Loans and advances to customers – held for sale	461	3,974	3,958	4,290	_	_	
Impairment allowances	3,789	4,137	4,480	4,652	5,631	5,737	
Impairment allowances – assets held for sale	55	642	669	706	_	_	
2+ delinquency	7,388	7,670	8,284	8,419	8,346	8,423	
Write-offs (net)	216	544	563	646	717	974	
Ratios ¹ :	%	%	%	%	%	%	
Impairment allowances	10.7	11.1	11.6	11.6	12.3	12.1	
Loan impairment charges	2.0	3.0	4.6	4.4	6.2	7.0	
2+ delinquency	20.5	18.6	19.4	19.0	18.3	17.7	
Write-offs	2.3	5.2	5.2	5.7	6.2	8.0	

¹ The 'write-offs' and 'loan impairment charges' ratios are a percentage of average total loans and advances (quarter annualised), while the 'impairment allowances' and '2+ delinquency' ratios are a percentage of period end loans and advances to customers (gross). '2+ delinquency' ratios include loans and advances classified as held for sale.

Retail Banking and Wealth Management

	Half-year to				
	30 Jun	30 Jun	Change	31 Dec	Change
	2013	2012	%	2012	%
	US\$m	US\$m		US\$m	
Underlying profit before tax					
RBWM excluding US CRS and US run-off portfolio	3,454	2,299	50	3,125	11
US CRS	_	_		(150)	
US run-off portfolio	(114)	(961)	88 _	(313)	64
Total RBWM	3,340	1,338	150	2,662	25
Underlying revenue					
Asia	4,279	4,123	4	4,163	3
Hong Kong	2,897	2,642	10	2,698	7
Rest of Asia-Pacific	1,382	1,481	(7)	1,465	(6)
Latin America	2,739	2,701	1	3,027	(10)
Middle East and North Africa	427	377	13	433	(1)
Europe	3,860	3,872	_	4,078	(5)
North America	1,972	2,146	(8)	2,368	(17)
North America excluding US CRS and US run-off portfolio	1,074	1,146	(6)	972	10
US CRS	-	1.000	(10)	1 206	(20)
US run-off portfolio	898	1,000	(10)	1,396	(36)
	13,277	13,219	-	14,069	(6)
	US\$bn	US\$bn		US\$bn	
Reported risk-weighted assets at end of period					
RBWM excluding US CRS and US run-off portfolio	153	167		163	
US CRS	3	10		7	
US run-off portfolio	87	122	_	107	
Total RBWM	243	299	_	277	
	%	%		%	
Underlying cost efficiency ratio	63.0	69.3		66.4	
Underlying pre-tax return on average risk-weighted assets (annualised)					
RBWM excluding US CRS and US run-off portfolio	4.5	3.0		4.0	
US CRS	-	_		(3.4)	
US run-off portfolio	(0.2)	(1.5)	_	(0.5)	
Total RBWM	2.6	0.9		1.9	

Commercial Banking

	Half-year to						
	30 Jun	30 Jun	Change	31 Dec	Change		
	2013	2012	%	2012	%		
	US\$m	US\$m		US\$m			
Underlying profit before tax							
Asia	2,310	2,085	11	2,172	6		
Hong Kong	1,083	993	9	998	9		
Rest of Asia-Pacific	1,227	1,092	12	1,174	5		
Latin America	67	321	(79)	372	(82)		
Middle East and North Africa	351	334	5	233	51		
Europe	1,086	763	42	431	152		
North America	317	467	(32)	446	(29)		
	4,131	3,970	4	3,654	13		
Underlying revenue			_				
Asia	2,515	2,428	4	2,448	3		
Hong Kong	1,433	1,331	8	1,358	6		
Rest of Asia-Pacific	1,082	1,097	(1)	1,090	(1)		
Latin America	1,376	1,405	(2)	1,476	(7)		
Middle East and North Africa	432	425	2	436	(1)		
Europe	2,532	2,455	3	2,505	1		
North America	1,006	1,075	(6)	1,097	(8)		
	7,861	7,788	1	7,962	(1)		
	US\$bn	US\$bn		US\$bn			
Reported risk-weighted assets at end of period	386	398		397			
	%	%		%			
Underlying cost efficiency ratio	42.5	46.2		47.8			
Underlying pre-tax return on average risk-weighted assets							
(annualised)	2.2	2.3		2.0			

Global Banking and Markets

	Half-year to						
	30 June	30 June	Change	31 Dec	Change		
	2013	2012	%	2012	%		
	US\$m	US\$m		US\$m			
Underlying profit before tax							
Asia	2,606	2,337	12	2,071	26		
Hong Kong	1,078	782	38	721	50		
Rest of Asia-Pacific	1,528	1,555	(2)	1,350	13		
Latin America	444	578	(23)	498	(11)		
Middle East and North Africa	411	254	62	279	47		
Europe	1,574	1,052	50	(19)			
North America	694	539	29	406	71		
	5,729	4,760	20	3,235	77		
Underlying revenue							
Asia	3,709	3,556	4	3,128	19		
Hong Kong	1,708	1,429	20	1,318	30		
Rest of Asia-Pacific	2,001	2,127	(6)	1,810	11		
Latin America	793	872	(9)	806	(2)		
Middle East and North Africa	410	370	11	365	12		
Europe	4,282	3,995	7	2,420	77		
North America	1,520	1,396	9	1,256	21		
Intra-GB&M items	(46)	(57)		(97)			
	10,668	10,132	5	7,878	35		
	US\$bn	US\$bn		US\$bn			
Reported risk-weighted assets at end of period							
GB&M excluding legacy credit	396	365		364			
Legacy credit	33	48	_	39			
Total GB&M	429	413		403			
	%	%		%			
Underlying aget officionary notice	46.9	49.4		60.5			
Underlying cost efficiency ratio	40.9	49.4		00.3			
Underlying pre-tax return on average risk-weighted assets							
(annualised)	3.0	2.9		1.8			
GB&M excluding legacy credit	0.9	(1.6)		0.4			
· ·			_				
Total GB&M	2.8	2.3	_	1.6			