



HSBC in the UK 2007 Annual Results

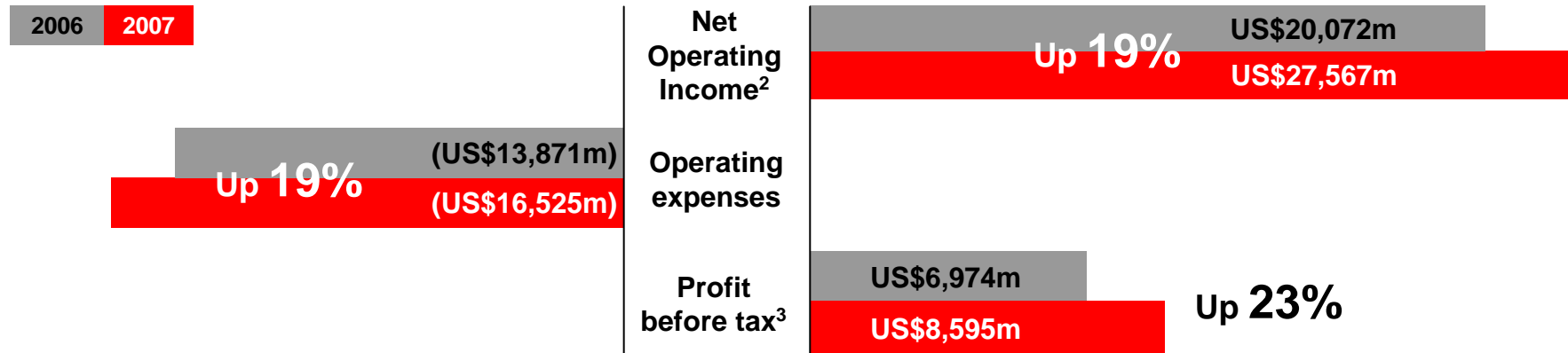
28 MARCH 2008

HSBC 
The world's local bank

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 HSBC Holdings plc and HSBC Bank plc. These forward-looking statements represent the bank'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 both Annual Reports.

HSBC in Europe¹: Full Year Results 2007



- HSBC Bank plc in Europe included above: PBT US\$7,692m
- Other non-European operations not included above US\$474m
- Other HSBC Group operations in Europe US\$903m

Cost : efficiency ratio = 59.9% ... Share of HSBC's profit before tax = 35.5%

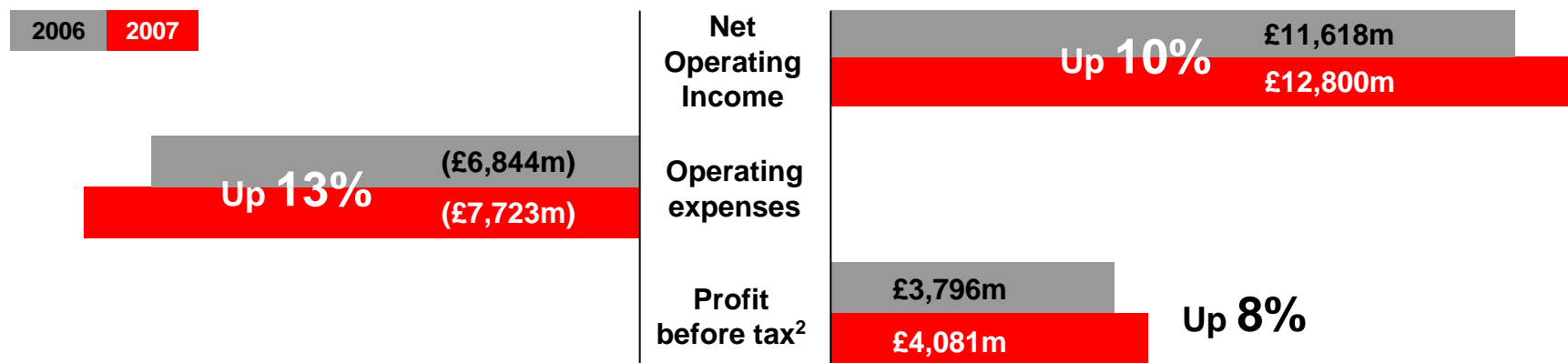
HSBC Bank plc Return on Average Invested Capital up 0.6% pts to 13.7%

¹ Extracted from the Annual Report and Accounts of HSBC Holdings plc

² Income throughout this presentation refers to net operating income before loan impairment charges and other credit risk provisions

³ Profit before tax includes share of profit or loss in associates and joint ventures

HSBC Bank plc¹: Full Year Results 2007



Cost : efficiency ratio = 60.3% ... Tier 1 Capital = 7.5% ... RoE = 14.5%

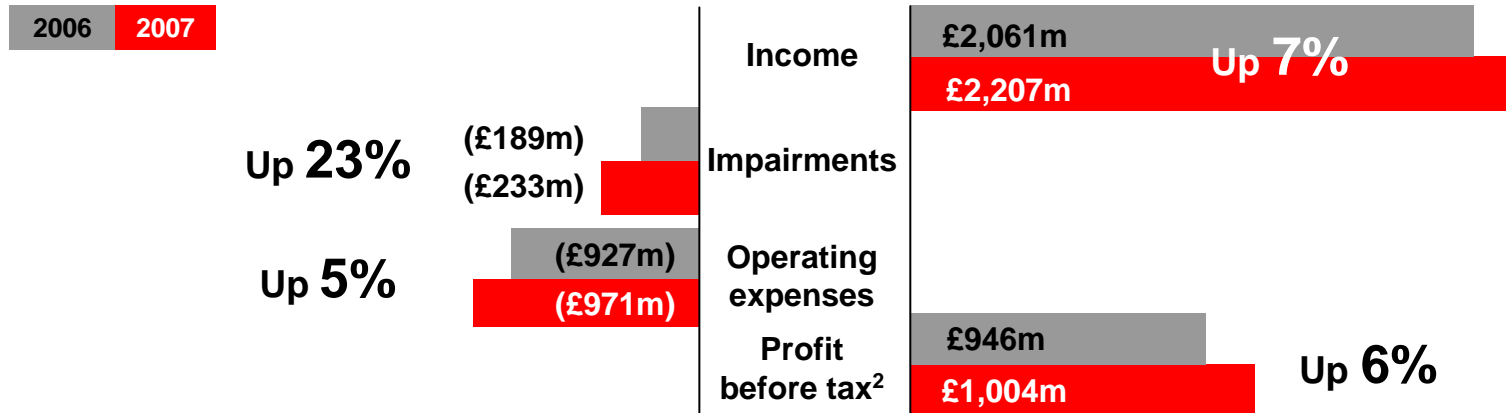
UK Personal & Commercial Banking = 15% of HSBC Group PBT

- France PBT up 8% to £526m
- Private Banking PBT up 16% to £643m
- Germany PBT up 36% to £148m
- UK Global Banking & Markets PBT flat: £468m
- International PBT up 30% to £397m
- Grew total assets 41% to £622bn
- Sold French regional banks for EUR2.1bn
- Re-launched PFS in Poland
- 45 new branches in Turkey
- 13 commercial offices in 6 CEE/CIS countries
- Grew commercial banking in E. Europe
- Approval to launch in Georgia & Algeria

¹ Results of HSBC Bank plc – does not include the UK results of HSBC Finance Corporation

² Profit before tax includes share of profit or loss in associates and joint ventures

UK Commercial Banking¹: 2007 financial highlights¹



Now serving 1 million businesses

- Record £1 billion PBT: 8% of Group PBT
- Net interest income up 10% on deposit growth
- Credit solid – rise relates mainly to 4 customers
- Small business bad debts fell
- 89% of customers ‘satisfied’ or ‘very satisfied’
- Cost increase on investment:
 - 14 new Multi-Cultural Banking Centres
 - 18 new corporate & commercial centres
 - Continued investment in Direct infrastructure
 - 19% increase in business specialists

¹ Results of the UK commercial banking business of HSBC Bank plc. The operations of HSBC Insurance Holdings Brokers Limited were transferred to HSBC Bank plc on 1 January 2007 – 2006 results have been restated for comparative purposes.

² Profit before tax includes share of profit or loss in associates and joint ventures.

UK Commercial Banking: 2007 business highlights

Leading International Commercial Bank

- Helped customers trade internationally: 125% uplift in Group introductions
- Int. Corp banking team created in UK and France
- UK's only dedicated Polish Commercial Banking unit

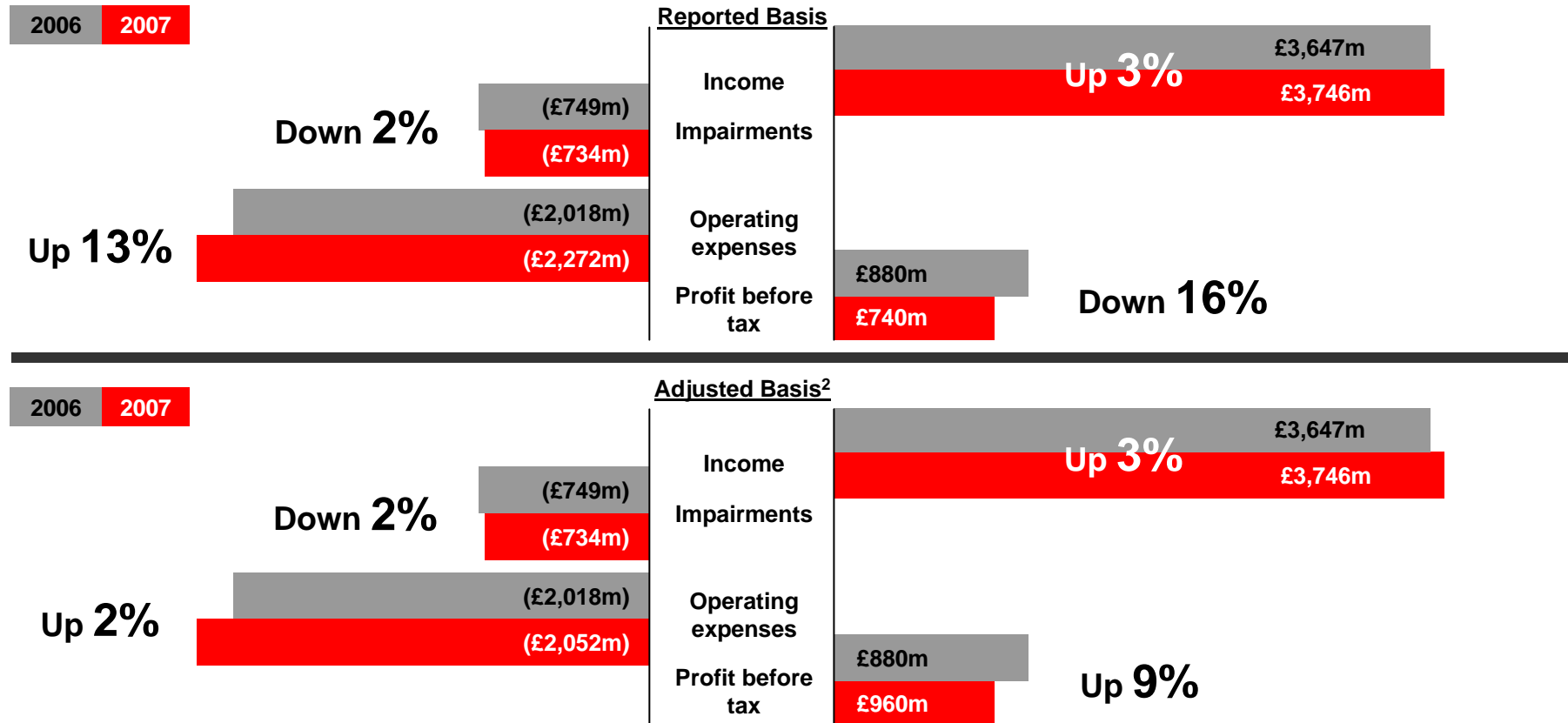
UK's Biggest Online Business Bank

- 96% satisfaction with Business Internet Bank
- Automated online current account applications
- 34% rise in business internet banking users

Best Bank for Small Business

- 123,000 started a business with HSBC: up 25%
- 45,000 Business Direct customers joined in '07
- 71% of Direct customers new to HSBC
- 286% increase in small business credit cards

UK Personal Financial Services¹: 2007 financial highlights



¹ Results of the UK Personal Financial Services business of HSBC Bank plc. The operations of HSBC Insurance Brokers Holdings Limited were transferred to HSBC Bank plc on 1 January 2007 – 2006 results above have been restated for comparative purposes.

² Adjusted figures exclude mainly ex gratia payments expensed in respect of overdraft fees applied in previous years and a provision for charges on historic will trusts and other related services.

³ Profit before tax includes share of profit or loss in associates and joint ventures.

UK Personal Financial Services: 2007 business highlights

Make Better Products

- Premier: customers up 20% ... Passport up 221%
- Savings deposits up 15%: grew throughout the year
- First Direct re-launched: again UK's favourite bank

Sell Them Properly

- Fair Fees: 1st to put overdraft warning on ATMs
- 20% of customers offered free Review
- Personal Loans only to existing customers
- Now UK's 2nd largest online personal bank

Keep Them Sold

- 52 new and refurbished branches in 2007
- 24/7 phone service & 2,000 new customer-facing staff
- 90% of customers are 'satisfied' or 'very satisfied' (NOP)
- First Direct rated UK's best bank for service (NOP)

HSBC UK: An award-winning bank

HSBC

- Financial Times Annual Awards – Top Call Centre Representatives in the UK
- Training Journal – Best Customer Service award
- What Mortgage Awards 2007 – Best Value National Bank (6th year running)
- Defaqto – UK's Best Value High Street Bank for mortgage lending (3rd year running)
- Euromoney 2007 Awards for Excellence – Best Risk Management House and Best Cash Management House
- Incisive Media's Rehabilitation First Awards – winner, HSBC Life for Rehabilitation Initiative of the Year – Insurer
- 2007 Private Investor Awards – winner, Best Overall Financial Services Company and highly commended, Best Stockbroker Service
- Personal Finance and Savings Magazine and Website – Best Financial Product provider website and Best Online Bank
- Moneyfacts Awards 2007 – commended, Best Credit Card Provider (balance transfer rate)

first direct

- Your Money – Best Online ISA Provider
- Precision Marketing – Direct Brand of the Decade
- What Mortgage Awards 2007 – Best Direct Lender, 5 years
- Moneywise – highly commended, Best Offset Mortgage

M&S Money

- Which? – Best Credit Card Provider (inaugural Which? awards)
- Lipper – Top Performing Bond Fund over 3 years (2nd year running)
- Standard & Poor's – First Place Fixed Income over 5 years (2nd year running)
- Your Money – Best Life Insurance and Best Credit Card Provider (second year running)

Commercial Banking

- Euromoney – Best Global Cash Management House 2007
- Global Finance – Best Internet Security Initiative 2007, Best Integrated Corporate Bank Site 2007, Best Trade Bank 2007
- Credit Card – Best Security & Anti Fraud Development 2007, Best Business Card Programme 2008
- Trade Finance – Best factor 2001-2007 – 5th consecutive award
- FX Week – Best Bank for Corporates 2006 and Best Bank London 2006
- ifs/Capgemini Financial Innovation – Best Business Direct Channels Initiative 2007