

HSBC HOLDINGS PLC
Form 6-K
August 02, 2010

FORM 6-K
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Report of Foreign Private Issuer
Pursuant to Rule 13a - 16 or 15d - 16 of
the Securities Exchange Act of 1934

For the month of August

HSBC Holdings plc

42nd Floor, 8 Canada Square, London E14 5HQ, England

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F).

Form 20-F Form 40-F

(Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934).

Yes..... No

(If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-.....).

**HSBC HOLDINGS PLC
2010 INTERIM RESULTS - HIGHLIGHTS**

Strong increase in profitability

.
Pre-tax profit more than doubled to US\$11.1 billion on a reported basis - US\$10 billion¹ excluding fair value on own debt, up 34 per cent.

.
Underlying pre-tax profit up by US\$2.2 billion or 30 per cent to US\$9.6 billion.

.
Profit attributable to shareholders more than doubled to US\$6.8 billion on a reported basis.

.
Loan impairment charges and other credit risk provisions down US\$6.4 billion to US\$7.5 billion, the lowest since the start of the financial crisis.

.
Earnings per share up 81 per cent to US\$0.38 (first half 2009: US\$0.21).

.
Declared dividends of US\$2.8 billion or 16 cents per ordinary share in respect of the period.

Universal banking model delivering profits through the cycle

.
Profitable in every customer group and in all regions outside North America².

.
Diversified Global Banking and Markets business delivered another very strong performance.

.
Commercial Banking exceptionally well placed to support rebounding international trade.

.
Strategic repositioning of Personal Financial Services driving improved profitability.

.
Strong Asia profits reflect investment in building presence across the region.

Financial strength core to our philosophy and key to future growth

.
Profits added US\$6.0 billion to tier 1 capital. Tier 1 ratio 11.5 per cent, well above target range; core tier 1 ratio 9.9 per cent.

.
Funding strength underpinned by customer deposits of US\$1.15 trillion and customer advances-to-deposits ratio below 80 per cent.

.
Lending up in all regions since 31 December 2009².

Building our customer base and investing for the long term

.
Customer acquisition focused on international financial needs:

Ø

Premier

customers up to 3.9 million; on target for six million by the end of 2011.

Ø

Commercial Banking customers up to 3.5 million, 85 per cent of new customers in emerging markets.

.

Leadership in emerging markets extended by additional investments in India, China, Vietnam and Kazakhstan.

.

Strengthened position as leading international bank in China: opened 100th mainland outlet; supported Bank of Communications rights issue; grew leadership in renminbi services.

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World's most valuable banking brand for third year running³;

Euromoney

's'Best Global Emerging Markets Bank'.

1

Reported profit before tax excluding changes in fair value of own debt due to credit spread.

2

Underlying basis.

3

Brand Finance Banking 500 2010 League Table.

HSBC HOLDINGS REPORTS PRE-TAX PROFIT OF US\$11,104 MILLION

HSBC made a profit before tax of US\$11,104 million, an increase of US\$6,085 million, or 121 per cent, compared with the first half of 2009.

Net interest income of US\$19,757 million was US\$781 million, or 3.8 per cent, lower than the first half of 2009.

Net operating income before loan impairment charges and other credit risk provisions of US\$35,551 million was US\$810 million, or 2.3 per cent, higher than the first half of 2009.

Total operating expenses of US\$18,111 million increased by US\$1,453 million, or 8.7 per cent, compared with the first half of 2009. On an underlying basis, and expressed in terms of constant currency, operating expenses increased by 5 per cent.

HSBC's cost efficiency ratio was 50.9 per cent compared with 47.9 per cent in the first half of 2009.

Net operating income before loan impairment charges and other credit risk provisions of US\$35,551 million was US\$810 million, or 2.3 per cent, higher than the first half of 2009.

Loan impairment charges and other credit risk provisions were US\$7,523 million in the first half of 2010, US\$6,408 million lower than the first half of 2009.

The Directors have declared a second interim dividend for 2010 of US\$0.08 per ordinary share, a distribution of approximately US\$1,401 million.

The core tier 1 ratio and tier 1 ratio for the Group remained strong at 9.9 per cent and 11.5 per cent, respectively, at 30 June 2010.

The Group's total assets at 30 June 2010 were US\$2,418 billion, an increase of US\$54 billion, or 2.3 per cent, since 31 December 2009.

Geographical distribution of results

Profit/(loss) before tax

	30 June 2010		Half-year to 30 June 2009		31 December 2009	
	US\$m	%	US\$m	%	US\$m	%
Europe	3,521	31.7	2,976	59.3	1,033	50.2
Hong Kong	2,877	25.9	2,501	49.8	2,528	122.7
Rest of Asia-Pacific	2,985	26.9	2,022	40.3	2,178	105.7
Middle East	346	3.1	643	12.8	(188)	(9.1)
North America	492	4.4	(3,703)	(73.8)	(4,035)	(195.9)
Latin America	883	8.0	580	11.6	544	26.4

Loan impairment charges and other credit risk provisions were US\$7,523 million in the first half of 2010, US\$6,408