



A Chinese ship in Brazil's largest port, Santos. Photography: Matthew Mawson

HSBC Holdings plc
Interim Results 2012
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 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 2012

Highlights

| | |
|---|---|
| Profit before tax | <ul style="list-style-type: none"> • Reported profit before tax USD12.7bn, up 11% on 1H11 • Underlying¹ profit before tax USD10.6bn, down 3% on 1H11 • Reduced by provisions for UK customer redress USD1.3bn and US law enforcement and regulatory matters USD0.7bn |
| Simplifying and restructuring the business | <ul style="list-style-type: none"> • A further 19 transactions announced since the beginning of this year, 36 since beginning of 2011 • Costs of USD21.2bn, included notable items of USD2.6bn (USD0.6bn, 1H11) • Sustainable costs savings of USD0.8bn helped fund business growth and strengthening of compliance infrastructure |
| Achieving growth | <ul style="list-style-type: none"> • Underlying revenue growth, 4%. Revenues increased 11% in faster growing regions notably Asia and Latin America • Strong performance from Global Banking and Markets (GBM) • Strong revenue growth from Commercial Banking (CMB) • Additional revenues, +16%, from closer integration between GBM and CMB |
| Return on equity | <ul style="list-style-type: none"> • RoRWA², 1.8%; excluding run-off portfolios³ and Card and Retail Services, underlying RoRWA¹, 2.3% • RoE⁴, 10.5% • Focused on hitting target RoE range of 12-15% by 2013 |
| Continued to generate capital | <ul style="list-style-type: none"> • Profit attributable to ordinary shareholders USD8.2bn • Core tier 1 ratio, 11.3%, up from 10.1% at 31 December 2011 |

Notes:

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

2 Calculated using underlying pre-tax return and reported average RWAs

3 Run-off portfolios include: legacy credit in GBM; the US CML portfolios and the related treasury operations

4 Return on average ordinary shareholders' equity

Interim results 2012

Financial highlights

Summary financial highlights¹

| | 1H11 | 2H11 | 1H12 | % Better / (worse) | |
|------------------------------|------|------|------|--------------------|--------------|
| | | | | 1H12 vs 1H11 | 1H12 vs 2H11 |
| Reported PBT (USDbn) | 11.5 | 10.4 | 12.7 | 11 | 23 |
| Underlying PBT (USDbn) | 11.0 | 5.8 | 10.6 | (3) | 83 |
| EPS (USD) | 0.51 | 0.41 | 0.45 | (12) | 10 |
| Dividends ² (USD) | 0.18 | 0.23 | 0.18 | n/a | n/a |

Financial targets %

| | 1H11 | 2H11 | 1H12 | KPI |
|---|------|------|------|----------|
| Return on average ordinary shareholders' equity | 12.3 | 9.5 | 10.5 | 12-15 |
| Cost efficiency ratio | 57.5 | 57.5 | 57.5 | 48-52 |
| Advances-to-deposits ratio | 78.7 | 75.0 | 76.3 | <90 |
| Core tier 1 ratio | 10.8 | 10.1 | 11.3 | 9.5-10.5 |

Note:
¹ All figures are as reported unless otherwise stated
² Declared in respect of the period

Interim results 2012

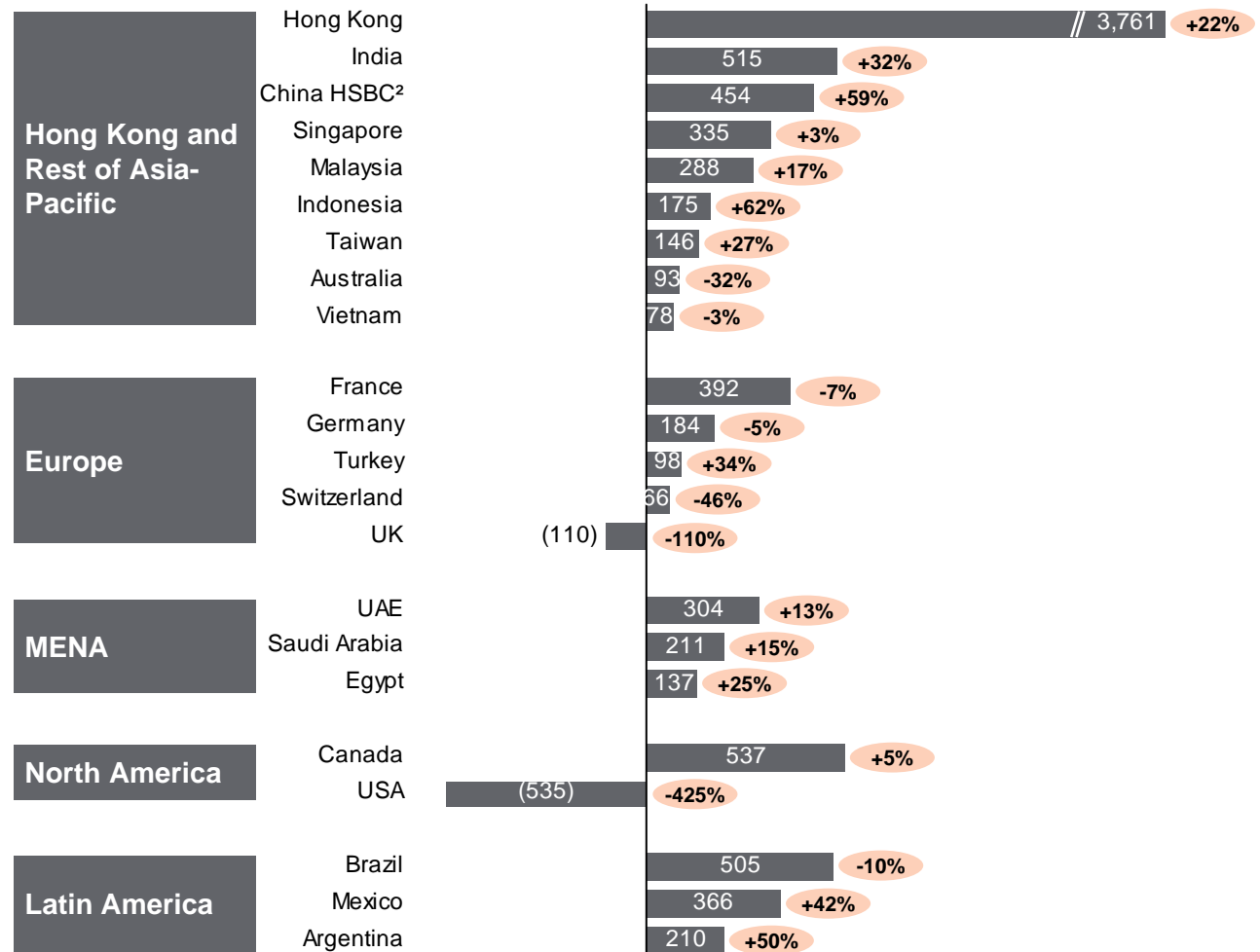
Regional and country profit contributions

Geographical regions

| PBT ¹ (USDbn) | 1H11 | 2H11 | 1H12 |
|--------------------------|-------------|------------|-------------|
| Hong Kong | 3.1 | 2.8 | 3.8 |
| Rest of Asia-Pacific | 3.5 | 3.8 | 4.1 |
| MENA | 0.7 | 0.7 | 0.8 |
| Latam | 1.0 | 1.0 | 1.0 |
| Europe | 2.1 | (0.5) | 0.9 |
| North America | 0.5 | (1.9) | 0.0 |
| Total | 11.0 | 5.8 | 10.6 |

Country highlights

(PBT¹ USDm, 1H12 v 1H11)



Notes:
 1 Underlying basis
 2 Excludes mainland China associates, which grew 15%

Financial Performance

Financial overview

Summary of reported results

| (USDbn) | 1H11 | 2H11 | 1H12 | % Better / (worse) | |
|---|------------|------------|------------|--------------------|--------------|
| | | | | 1H12 vs 1H11 | 1H12 vs 2H11 |
| Revenue ¹ excluding FVOD ² | 35.8 | 32.5 | 39.1 | 9 | 20 |
| LICs ³ | (5.3) | (6.9) | (4.8) | 9 | 30 |
| Net operating income, excluding FVOD | 30.5 | 25.6 | 34.3 | 12 | 34 |
| Operating expenses | (20.5) | (21.0) | (21.2) | (3) | (1) |
| Associates and joint ventures | 1.6 | 1.7 | 1.8 | 18 | 8 |
| Profit before tax, excluding FVOD | 11.6 | 6.3 | 14.9 | 28 | 136 |
| Changes in FVOD | (0.1) | 4.1 | (2.2) | n/a | n/a |
| Profit before tax | 11.5 | 10.4 | 12.7 | 11 | 23 |
| Tax | (1.7) | (2.2) | (3.6) | (112) | (64) |
| Profit after tax | 9.8 | 8.2 | 9.1 | (7) | 11 |
| Profit attributable to ordinary shareholders of the parent company | 8.9 | 7.3 | 8.2 | (8) | 12 |

Notes:

1 Revenue is net operating income before loan impairment charges and other credit risk provisions

2 FVOD: Changes in Fair Value of Own Debt due to changes in credit spread

3 Loan impairment charges and other credit risk provisions

Financial overview

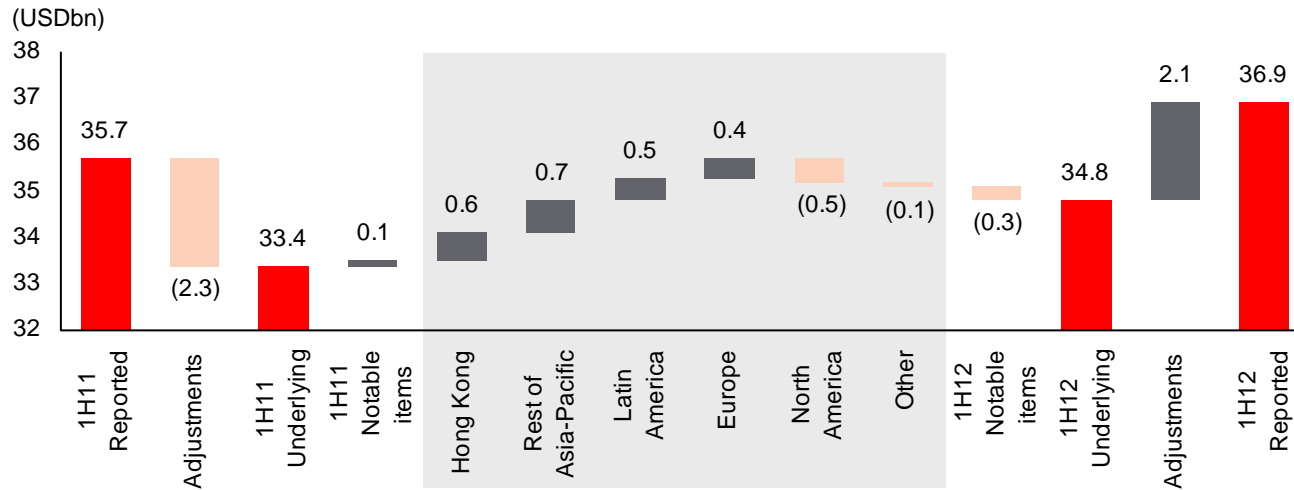
Underlying performance¹

| (USDbn) | 1H11 | 2H11 | 1H12 | % Better / (worse) | |
|--------------------------|-------------|------------|-------------|--------------------|--------------|
| | | | | 1H12 vs 1H11 | 1H12 vs 2H11 |
| Revenue ² | 33.4 | 30.9 | 34.8 | 4 | 13 |
| LICs | (4.8) | (6.5) | (4.8) | (1) | 26 |
| Operating expenses | (19.3) | (20.4) | (21.2) | (10) | (4) |
| Profit before tax | 11.0 | 5.8 | 10.6 | (3) | 83 |

- Revenue growth (1H12 v 1H11) from: GBM (USD0.9bn), principally in Rates, BSM, Forex and PCM; CMB (USD0.6bn), particularly from lending growth in Hong Kong, Rest of Asia-Pacific, Latin America and Europe; RBWM in Hong Kong, Rest of Asia-Pacific, Latam and MENA (USD0.4bn)
- Revenue headwinds: Reduced contribution from US run-off portfolio; narrower deposit spreads in UK; adverse movement on NQHs
- LICs stable (1H12 v 1H11). Reductions in North America (US consumer finance) partly offset by increase in Latin America and Rest of Asia-Pacific
- Operating expenses increased USD1.9bn (1H12 v 1H11). This included restructuring charges of USD0.6bn (1H11, USD0.5bn; 2H11, USD0.6bn) UK customer redress provisions of USD1.3bn (1H11, USD0.6bn; 2H11, USD0.3bn) and provision for US law enforcement and regulatory matters of USD0.7bn. Other notable items: 1H11, USD(0.4)bn; 2H11, USD0.9bn

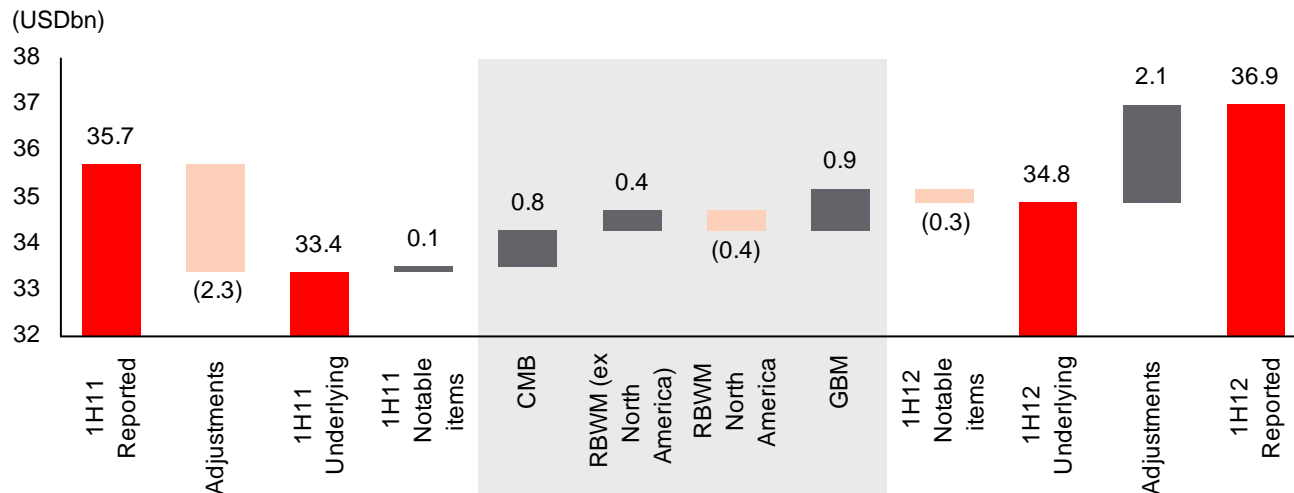
Revenues¹

Geographical regions



- Underlying revenues increased by 4%
- 11% growth in revenues from Asia, Latam and MENA, which account for 51% of total
- Strong CMB revenues, particularly from lending growth in Asia, Latam and Europe in 1H11
- 16% increase in revenue from GBM / CMB closer collaboration

Global businesses

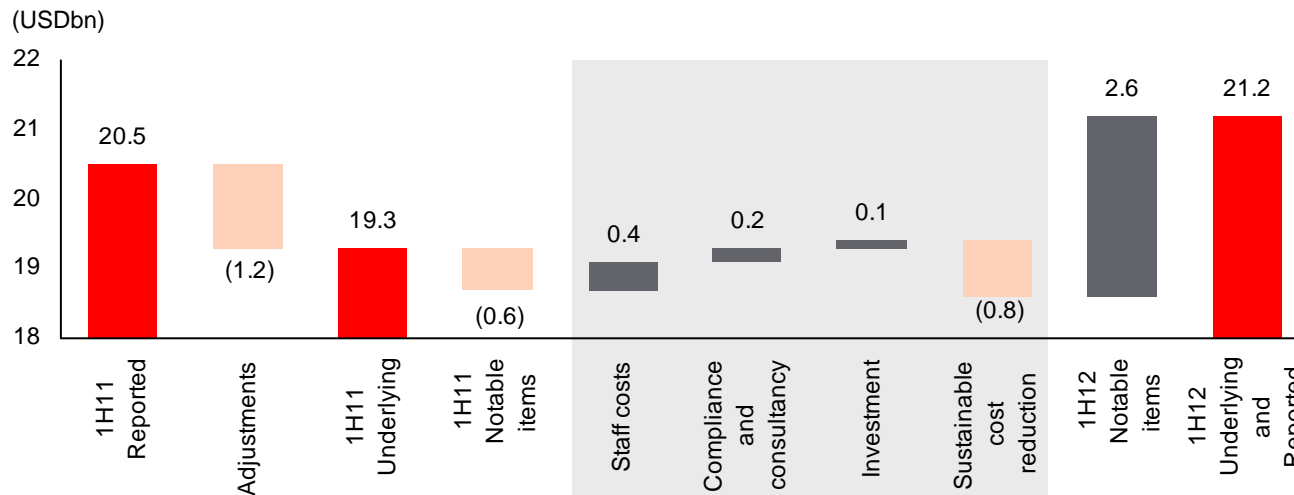


- Strong GBM revenues with increases in Forex, Rates, PCM and BSM
- RBWM revenue increased 5% in faster growing regions
- Reduced run-off portfolio decreased revenues in North America RBWM

Note:
¹ Net operating income before LICs, underlying basis

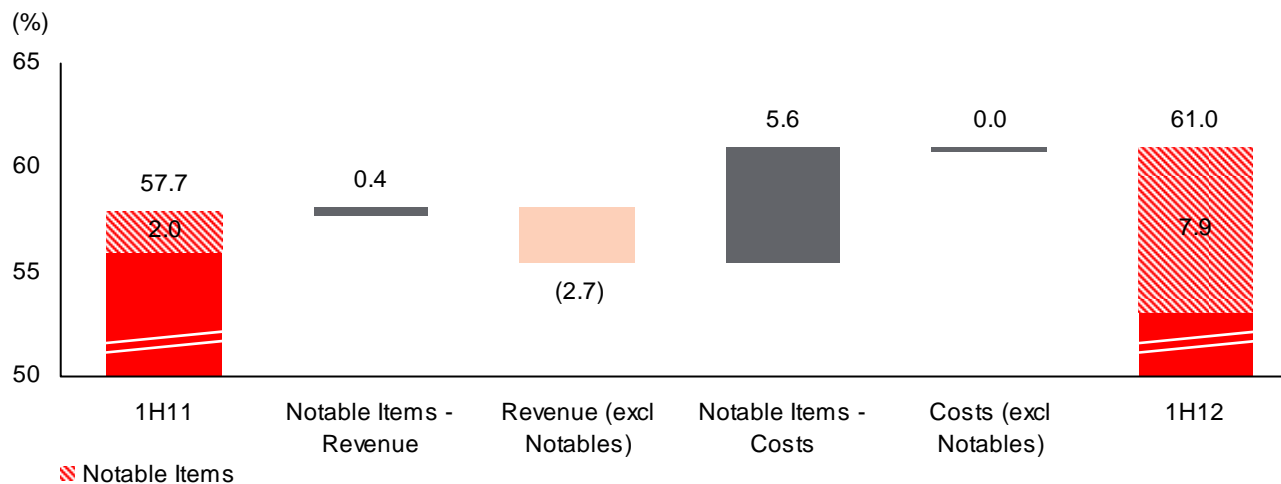
Operating expenses¹

Operating expenses



- Underlying operating expenses increased by USD1.9bn, largely due to notable items of USD2.6bn
- Notable items in 1H12 of USD2.6bn include UK customer redress USD1.3bn, restructuring USD0.6bn and US law enforcement and regulatory provision USD0.7bn
- Sustainable cost savings of USD0.8bn absorbed by wage inflation in faster growing markets, investment in compliance infrastructure and business expansion projects

Underlying CER movement 1H11 to 1H12



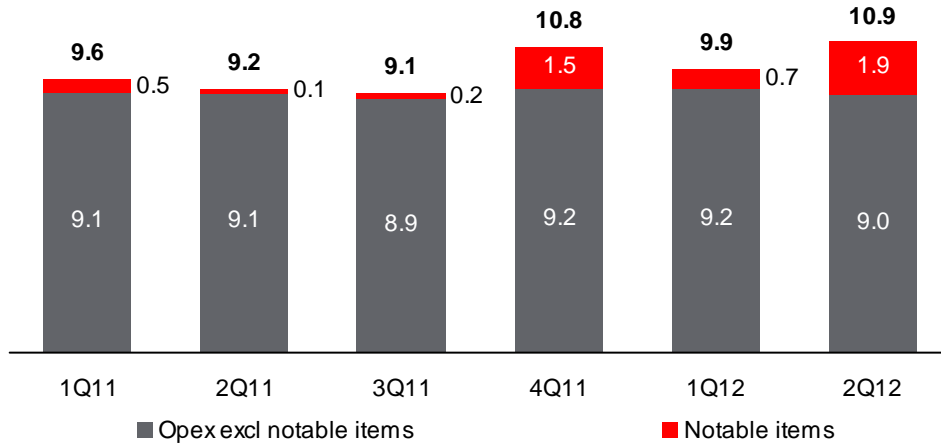
- Sustainable cost savings of USD1.7bn to date, equivalent to USD2.7bn on annualised basis
- Underlying CER increased to 61.0%, of which notable items accounted for 7.9%

Operating expenses¹

Quarterly progression in operating expenses and FTE

Operating expenses¹

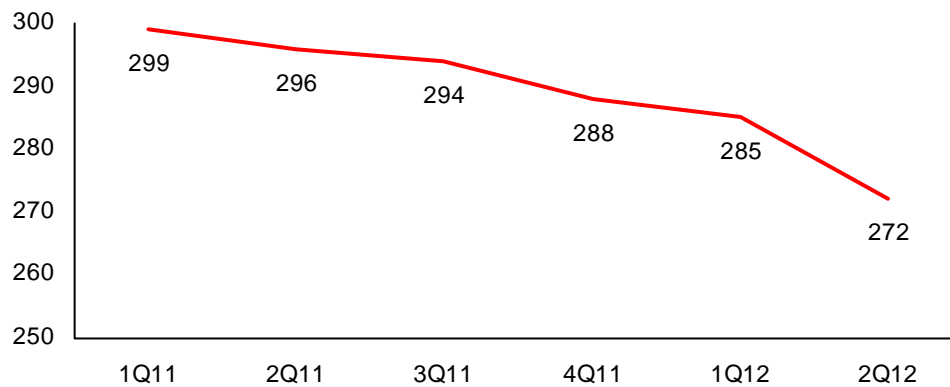
(USDbn)



- Operating expenses include significant notable items and excluding these were stable for the last six quarters
- FTE down 27k from peak in 1Q11, of which 17.5k from organisational effectiveness programmes, while business disposals accounted for the majority of the remaining reduction
- Average FTE down 5%, 1H12 v 1H11

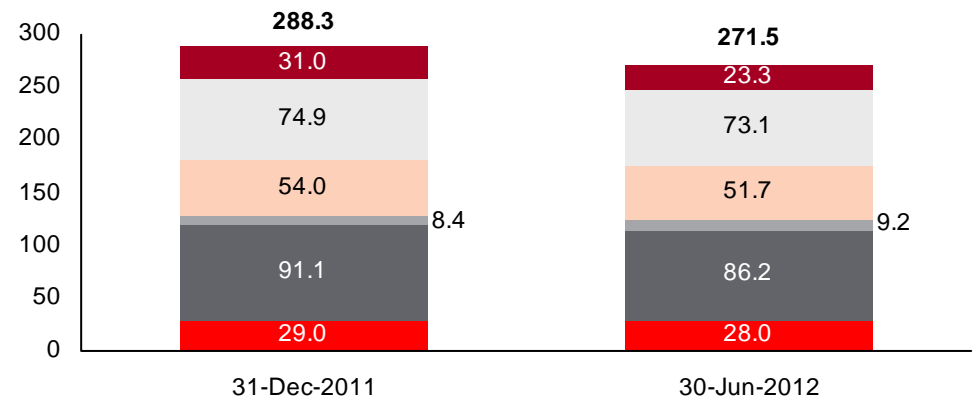
FTE

(000s)



Regional FTE

(000s)



■ Hong Kong ■ Rest of Asia-Pacific ■ MENA ■ Latam ■ Europe ■ North America

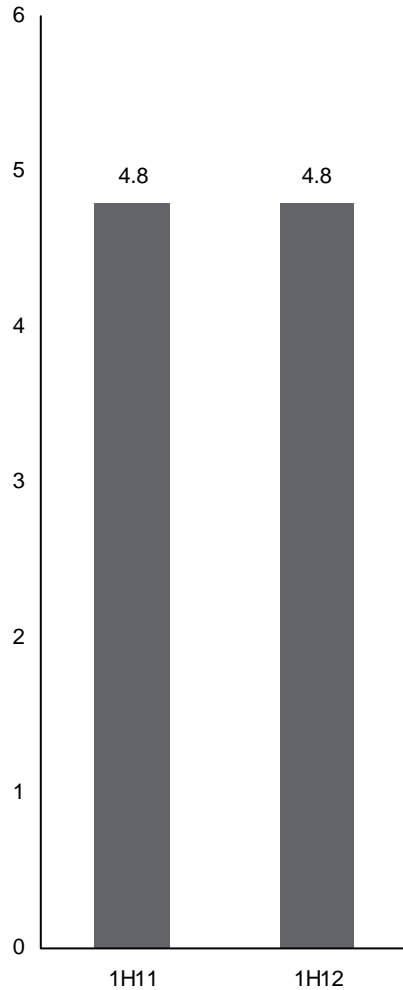
Note:
¹ On an underlying basis with constant currency held at 2Q12 rates

Credit quality

LICs¹ stable

Group

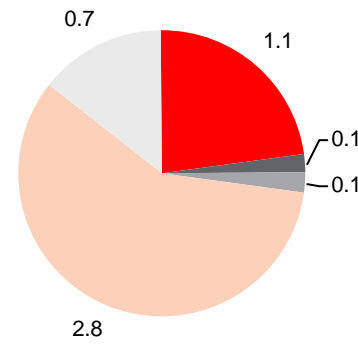
(USDbn)



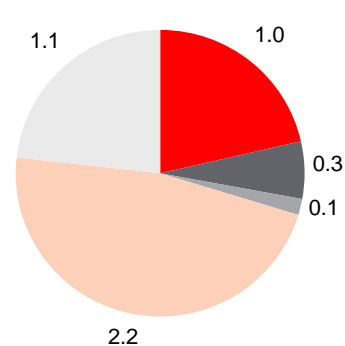
Geographic Regions

(USDbn)

1H11



1H12

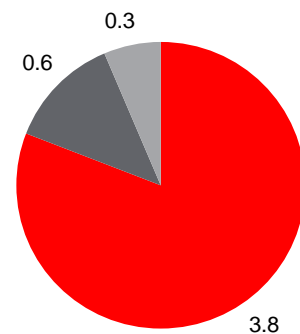


■ Europe ■ Asia² ■ MENA ■ North America ■ Latin America

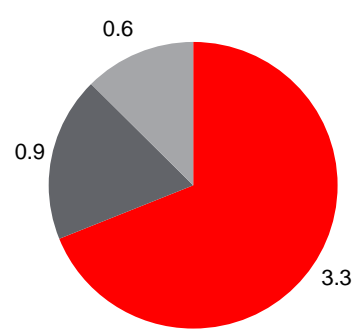
Global Businesses

(USDbn)

1H11



1H12



■ RBWM ■ CMB ■ GBM

- LICs stable on underlying basis
- Notable decrease in North America due to a reduction in the lending balances in the CML portfolio
- Reduction in RBWM Europe reflecting improvements in delinquencies and collections
- Increased LICs in Latam, particularly Brazil reflecting higher volumes and delinquency rates
- Increase in RoAP included specific corporate items primarily in Australia

Notes:

1 Loan impairment charges and other credit risk provisions, underlying basis

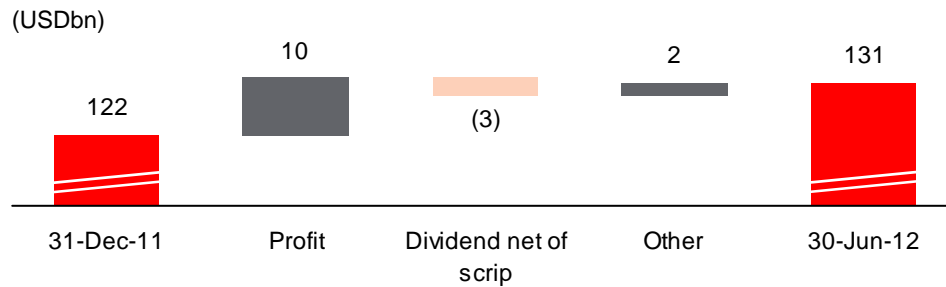
2 Data for 'Asia' comprises the sum of reported figures for the Hong Kong and Rest of Asia-Pacific geographical regions without the elimination of inter-segments

Capital adequacy

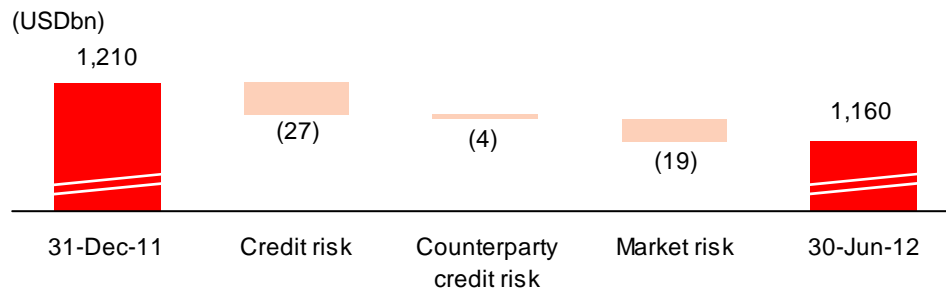
Absorbing 'Basel 2.5'

Strong capital generation and funding

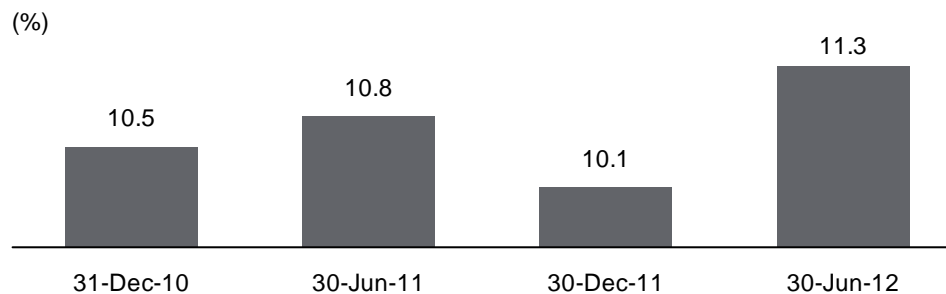
Movement in core tier 1 capital



Total risk-weighted assets

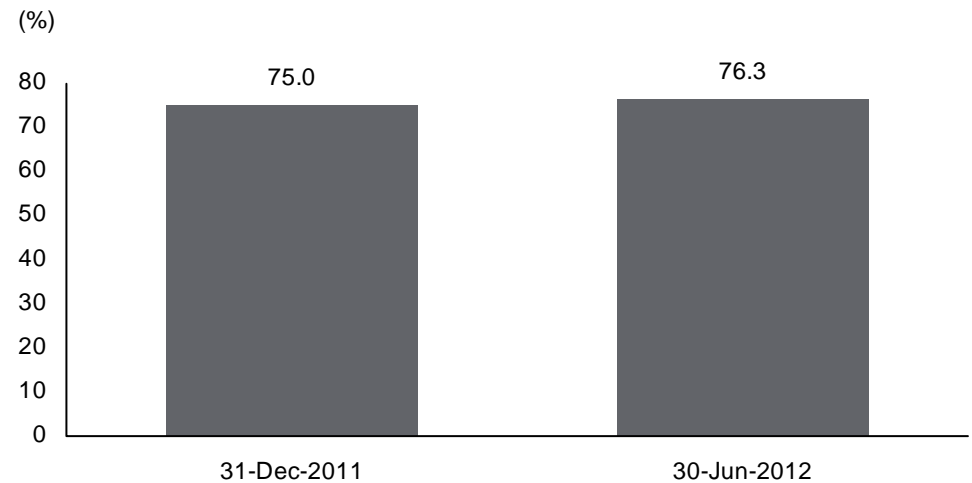


Core tier 1 ratio



- Core tier 1 ratio strengthened from gain on sale and reduction in RWAs from strategic disposals, mainly CRS
- Management actions on the trading book drove further reductions in RWAs
- Balance sheet growth in mainland Chinese associates and growth in corporate lending drove RWAs higher
- Advances-to-deposit ratio remained strong¹

Advances-to-deposits ratio¹



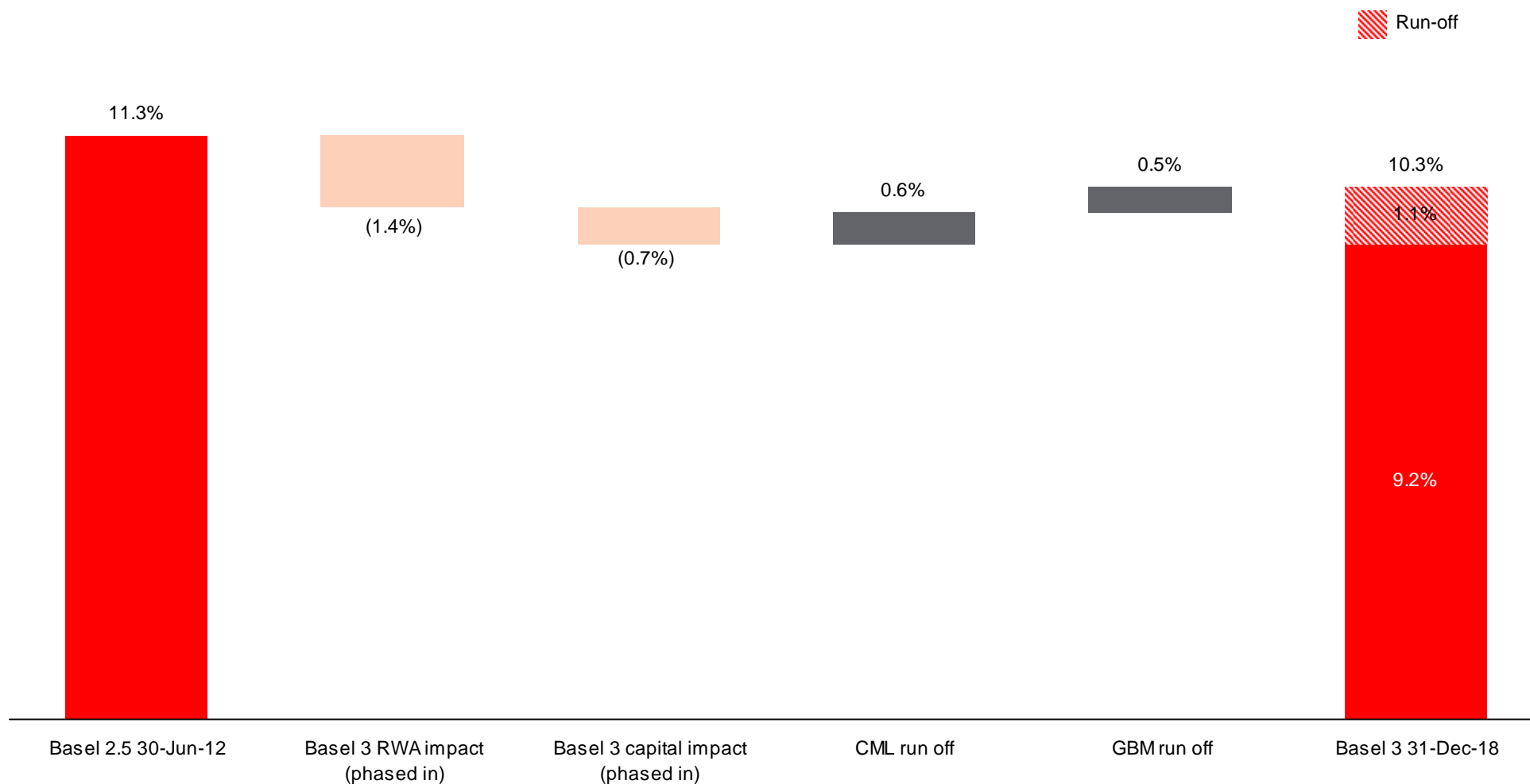
Notes:
¹ Ratio of customer advances to customer accounts

Capital adequacy

Simulated effect of full Basel 3 rules on HSBC 30-Jun-12 Core Tier 1 capital ratio exclusive of future profit or business growth¹

Core / Common equity tier 1 ratio^{1,2}

(%)



Notes:

1 No capital generation, no business growth included

2 Based on current accounting rules, Q2 2012 position on expected 2018 regulatory basis

Business Performance

Report Card

Key execution elements Progress in 1H12¹

Capital Deployment Five Filters

- 19 transactions announced in 1H12 with 36 since beginning of 2011 releasing up to USD55bn in RWAs
- Run-off portfolios continued to decline

Simplify HSBC Four Programmes

- Achieved USD0.8bn sustainable cost savings, annualised equivalent USD1.4bn, and reinvested to grow the business and invest in compliance infrastructure
- Costs of USD21.2bn included notable items of USD2.6bn (USD0.6bn, 1H11); excluding these, costs were flat¹
- Positive jaws in faster growing regions

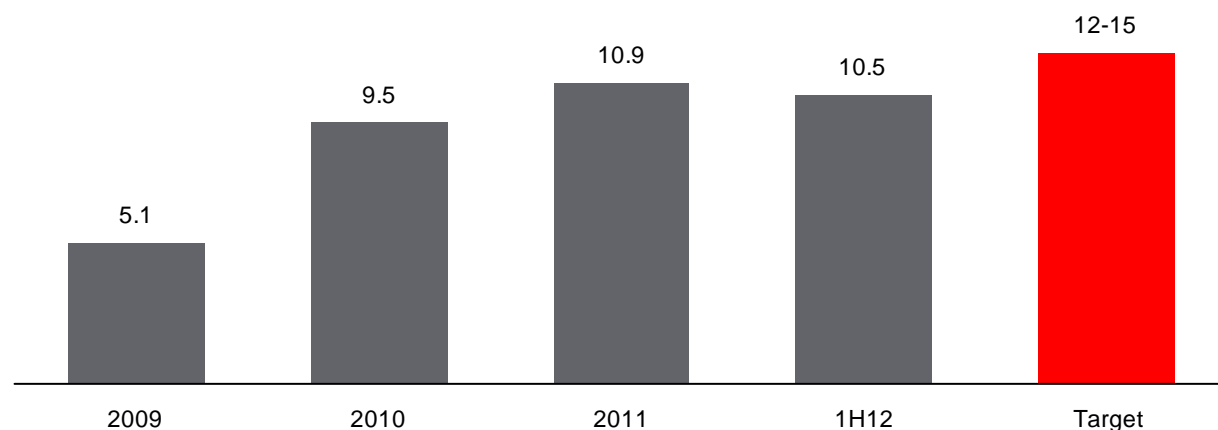
Growth

- Revenues¹ increased by 11% in faster growing markets, accounting for 51% of Group revenues
- 16% increase in revenues from closer integration between GBM and CMB
- Strong revenues from CMB
- Strong performance in GBM
- Difficult market conditions restrained Wealth Management

Profitability

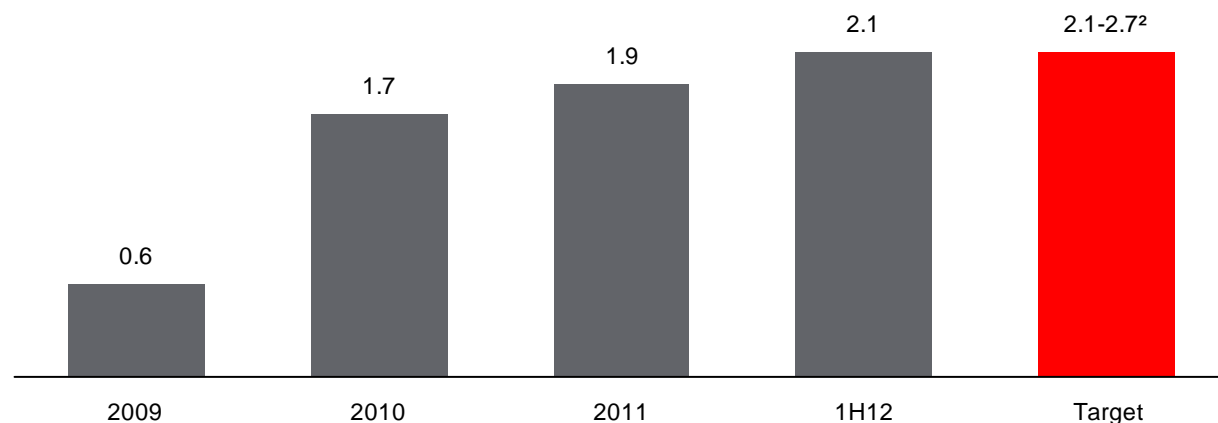
Target RoE 12-15% supported by a RoRWA 2.1%-2.7%^{1,2}

HSBC return on average ordinary shareholders' equity (%)



- 12-15% ROE target supported by 2.1-2.7% RoRWA
- 1H12 RoRWA at 2.1%, or 1.8% on underlying basis³
- 1H12 RoRWA, ex US CML and other, CRS and GBM legacy credit, at 2.3% on underlying basis

HSBC pre-tax return on average risk-weighted assets (%)



| | RoRWA ³ 1H12 (%) |
|----------------------|-----------------------------|
| Hong Kong | 7.1 |
| Rest of Asia-Pacific | 2.8 |
| MENA | 2.6 |
| Latam | 2.0 |
| Europe | 0.6 |
| North America | 0 |
| Group | 1.8 |

Notes:

1 All numbers are on a reported basis except where stated

2 Assuming a core tier 1 ratio of 10.5% (on a transitional basis)

3 Calculated using underlying pre-tax return and reported average RWAs

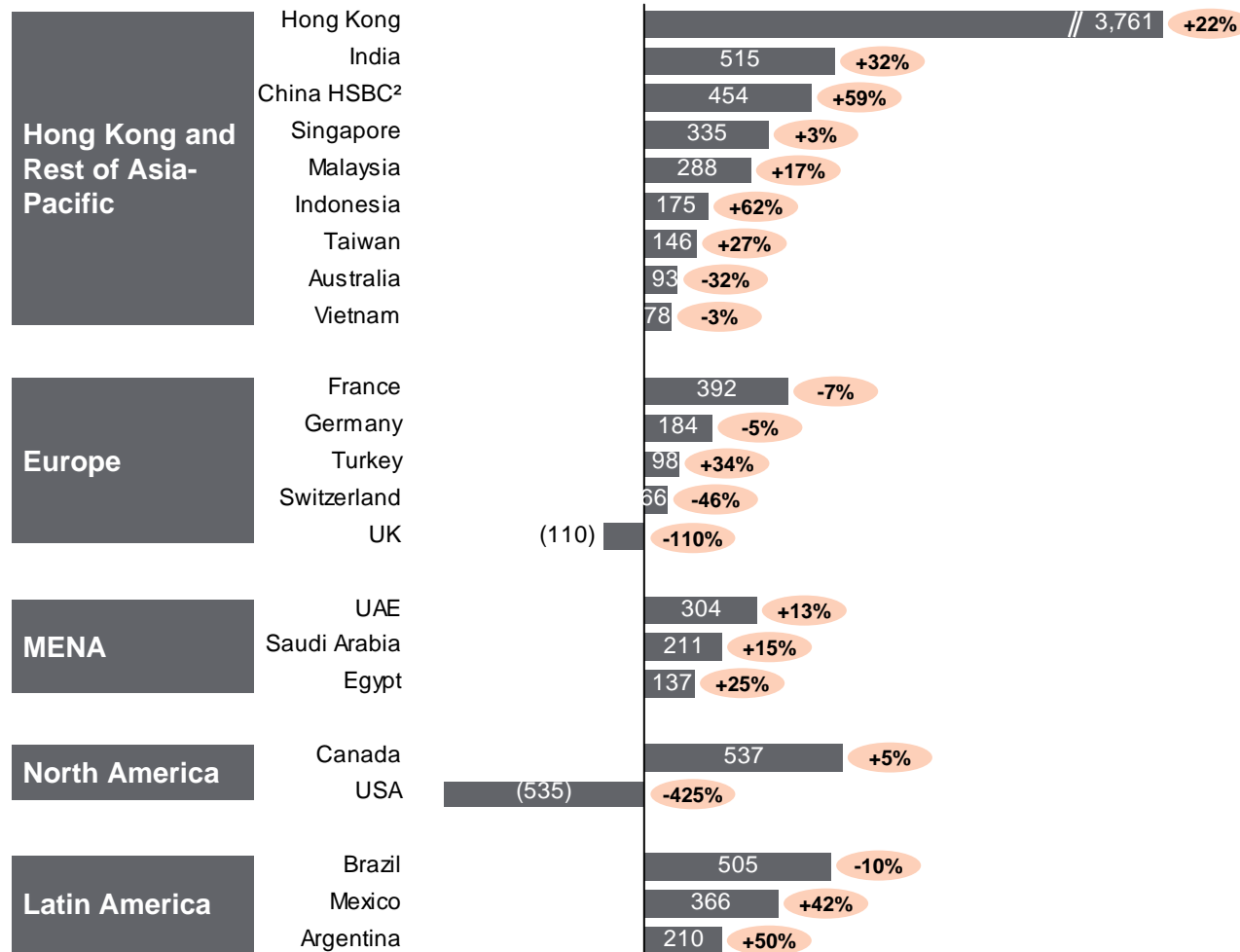
Regional and country profit contribution

Geographical regions

| PBT ¹ (USDbn) | 1H11 | 2H11 | 1H12 |
|--------------------------|-------------|------------|-------------|
| Hong Kong | 3.1 | 2.8 | 3.8 |
| Rest of Asia-Pacific | 3.5 | 3.8 | 4.1 |
| MENA | 0.7 | 0.7 | 0.8 |
| Latam | 1.0 | 1.0 | 1.0 |
| Europe | 2.1 | (0.5) | 0.9 |
| North America | 0.5 | (1.9) | 0.0 |
| Total | 11.0 | 5.8 | 10.6 |

Country highlights

(PBT¹ USDm, 1H12 v 1H11)



Notes:
 1 Underlying basis
 2 Excludes mainland China associates, which grew 15%

Global business contribution

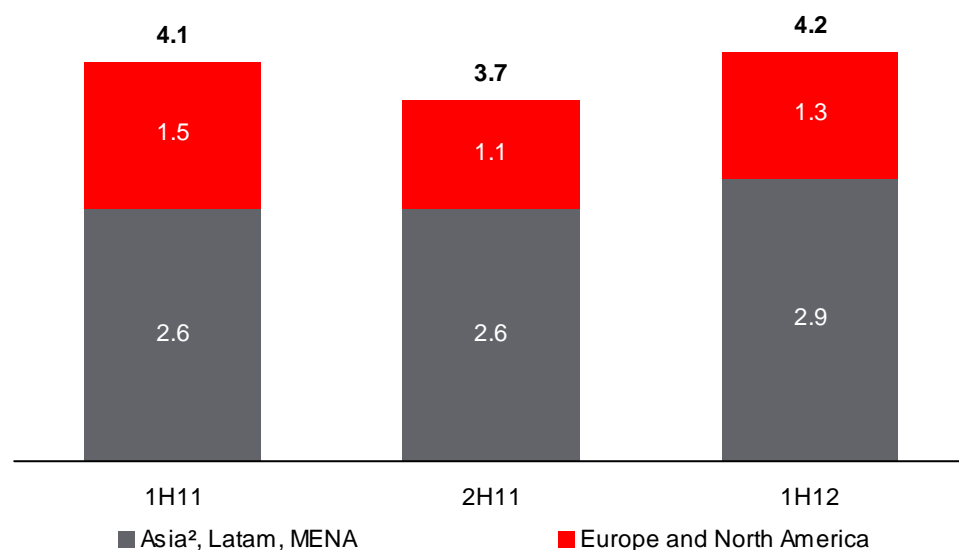
| PBT ¹ , (USDbn) | 1H11 | 2H11 | 1H12 | % Better / (worse) | |
|----------------------------------|-------------|------------|-------------|--------------------|--------------|
| | | | | 1H12 vs 1H11 | 1H12 vs 2H11 |
| Commercial Banking | 4.1 | 3.7 | 4.2 | 3 | 13 |
| Global Banking and Markets | 4.7 | 2.2 | 5.0 | 7 | 128 |
| Retail Banking Wealth Management | 2.9 | 0.7 | 2.6 | (11) | 292 |
| Global Private Banking | 0.5 | 0.4 | 0.5 | (16) | 15 |
| Other | (1.2) | (1.2) | (1.6) | (34) | (40) |
| Total | 11.0 | 5.8 | 10.6 | (3) | 83 |

Commercial Banking¹

Strengthen our position as the leading international trade and business bank

CMB PBT

(USDbn)



| Metrics | 1H11 | 2H11 | 1H12 |
|--------------------------------------|-------|-------|-------|
| CER (%) | 44.9 | 47.3 | 46.7 |
| Period-end RWAs ³ (USDbn) | 363.3 | 382.9 | 397.8 |
| RoRWA ⁴ (%) | 2.3 | 2.0 | 2.1 |

Notes:

- 1 All data on an underlying basis except where otherwise stated
- 2 Data for 'Asia' comprises the sum of reported figures for the Hong Kong and Rest of Asia-Pacific geographical regions without the elimination of inter-segments
- 3 On a reported basis
- 4 Calculated using underlying pre-tax return and reported average RWAs

Achievements and developments

Focus on faster-growing markets while connecting with developed markets

- Revenues from faster growing regions up 12%, which account for 55% of revenues and 70% of PBT
- Global Trade and Receivables Finance revenues increased by 14% to USD1.4bn

Capture growth in international SMEs

- More than a third of our Business Banking revenues are generated by international SMEs during the first half of 2012
- Launched a GBP4bn (USD6.3bn) SME fund in the UK and our third International Trade Fund in the UAE of USD272m to support SMEs trade overseas

Strong partnership across Global Businesses

- Revenue from sales of GBM products (notably in Forex) to CMB customers, increased by 16%
- Over USD1bn net new money generated for Global Private Banking in 1H12
- USD1bn additional collaboration revenue opportunities identified, taking the Group's collaboration target to USD2bn

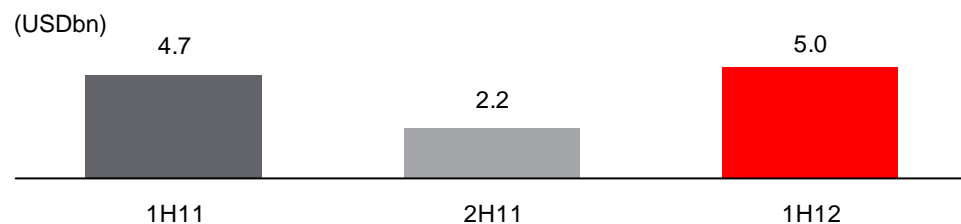
Drive efficiency gains through adopting a global operating model

- Consistent operating models rolled out across 20 markets
- CER 46.7% included the impact of customer redress and restructuring costs (2.0%)

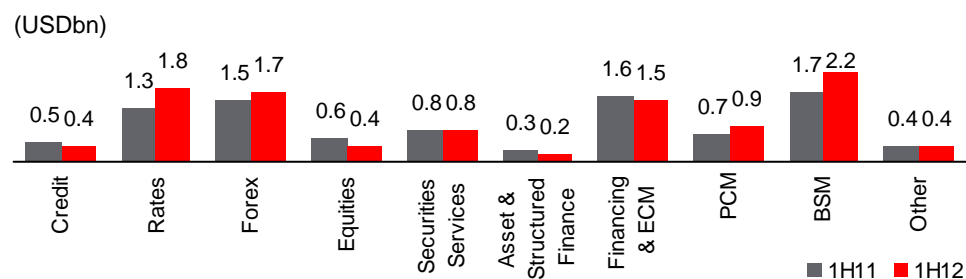
Global Banking and Markets¹

Emerging-markets led, financing focused with greater emphasis on connectivity

GBM PBT



GBM revenue²



| Metrics | 1H11 | 2H11 | 1H12 |
|--------------------------------------|-------|-------|-------|
| CER (%) | 50.3 | 66.0 | 49.2 |
| Period-end RWAs ³ (USDbn) | | | |
| GBM total | 385.4 | 423.0 | 412.9 |
| Legacy credit portfolio ⁴ | 29.1 | 50.0 | 47.7 |
| Rest of GBM | 356.3 | 373.0 | 365.2 |
| RoRWA ⁵ (%) | | | |
| GBM total | 2.6 | 1.1 | 2.4 |
| Legacy credit portfolio ⁴ | (0.6) | (1.8) | (1.6) |
| Rest of GBM | 2.8 | 1.4 | 2.9 |

Notes:

1 All data on an underlying basis except where otherwise stated

2 Management view of operating income

3 On a reported basis

4 The legacy credit portfolio is a separately identifiable, discretely managed business comprising Solitaire Funding Limited, the securities investment conduits, the asset-backed securities trading portfolios and credit correlation portfolios, derivative transactions entered into directly with monoline insurers, and certain other structured credit transactions.

5 Calculated using underlying pre-tax return and reported average RWAs

Achievements and developments

Enhance core product strengths and selectively develop new capabilities

- Revenues strong (+10%)
- Faster growing regions revenues up 15%, PBT up 16% and account for 68% of GBM PBT
- Enhancement of e-FX platforms contributed to growth in Forex revenues (+18%)
- PCM revenues increased 28%; Global Liquidity Solutions now live in 24 countries

Reinforce client coverage and client-led solutions

- Improved capability to service cross-border business, particularly in faster growing markets

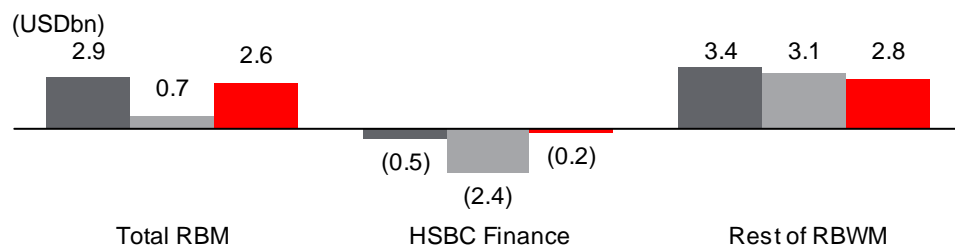
Collaboration with global businesses to deliver incremental revenues

- Continued growth in revenues from CMB clients
- Strengthened links with Global Private Banking

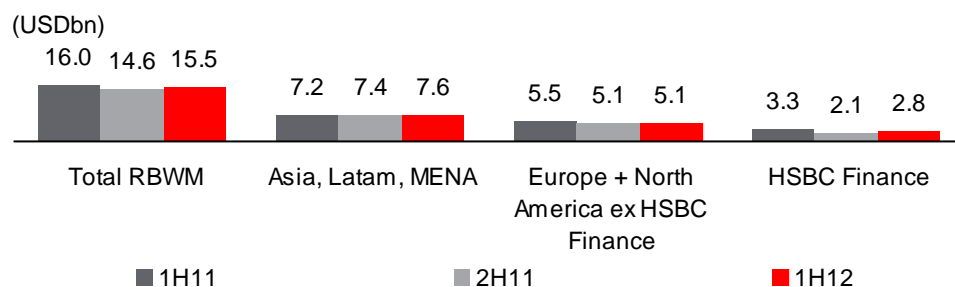
Retail Banking and Wealth Management¹

World class banking and wealth solutions

RBWM PBT



RBWM revenue



| Metrics | 1H11 | 2H11 | 1H12 |
|--|-------|-------|-------|
| CER (%) | 61.8 | 68.2 | 66.0 |
| Period-end RWAs ² (USDbn) | | | |
| RBWM total | 365.0 | 351.2 | 298.7 |
| Run-off portfolios ⁵ and CRS ³ | 194.7 | 183.7 | 122.3 |
| Rest of RBWM | 170.3 | 167.5 | 176.4 |
| RoRWA ⁴ (%) | | | |
| RBWM total | 1.7 | 0.4 | 1.6 |
| Run-off portfolios ⁵ and CRS | (0.6) | (2.8) | (0.3) |
| Rest of RBWM | 4.2 | 3.7 | 3.3 |

Achievements and developments

Re-shaping RBWM to drive superior returns

- Further disposals of non-strategic businesses
- Exiting general insurance manufacturing business to focus on life insurance manufacturing
- Announced an acquisition in UAE and a merger in Oman
- Balances in the run-off CML portfolio down by USD3.7bn in 1H12

Business performance impacted by notable items

- Significant impact of disposals, redress costs and other notable items
- Continued to build revenues in faster growing markets
- Increased revenue per capita on a reduced cost base

Wealth management progress

- Higher premium revenue from life insurance products
- Net inflow of USD13bn in funds in Asset Management this year
- Investing in improved Wealth Management infrastructure and capabilities
- Strategic partnerships to offer enhanced insurance products

Notes:

¹ All data on an underlying basis except where otherwise stated

² On a reported basis

³ Cards and Retail Services

⁴ Calculated using underlying pre-tax return and reported average RWAs at constant currency, adjusted for effect of business disposals

⁵ Run-off portfolios include : the US CML portfolios and the related treasury operations

Interim results 2012

Highlights

| | |
|---|---|
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| Achieving growth | <ul style="list-style-type: none"> • Underlying revenue growth, 4%. Revenues increased 11% in faster growing regions notably Asia and Latin America • Strong performance from Global Banking and Markets (GBM) • Strong revenue growth from Commercial Banking (CMB) • Additional revenues, +16%, from closer integration between GBM and CMB |
| Return on equity | <ul style="list-style-type: none"> • RoRWA², 1.8%; excluding run-off portfolios³ and Card and Retail Services, underlying RoRWA¹, 2.3% • RoE⁴, 10.5% • Focused on hitting target RoE range of 12-15% by 2013 |
| Continued to generate capital | <ul style="list-style-type: none"> • Profit attributable to ordinary shareholders USD8.2bn • Core tier 1 ratio, 11.3%, up from 10.1% at 31 December 2011 |

Notes:

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

2 Calculated using underlying pre-tax return and reported average RWAs

3 Run-off portfolios include: legacy credit in GBM; the US CML portfolios and the related treasury operations

4 Return on average ordinary shareholders' equity

Appendix

Reported quarterly results

Consolidated summary

| PBT, USDm | 31 Mar 2011 | 30 Jun 2011 | 30 Sep 2011 | 31 Dec 2011 | 31 Mar 2012 | 30 Jun 2012 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Income (excluding FVOD) | 17,629 | 18,207 | 15,833 | 16,678 | 18,845 | 20,222 |
| LICs | (2,384) | (2,882) | (3,890) | (2,971) | (2,366) | (2,433) |
| Net operating income (excluding FVOD) | 15,245 | 15,325 | 11,943 | 13,707 | 16,479 | 17,789 |
| Operating expenses | (10,369) | (10,141) | (9,869) | (11,166) | (10,353) | (10,851) |
| Associates and joint ventures | 619 | 937 | 967 | 741 | 840 | 1,003 |
| Profit before tax (excluding FVOD) | 5,495 | 6,121 | 3,041 | 3,282 | 6,966 | 7,941 |
| Changes in FVOD | (589) | 447 | 4,114 | (39) | (2,644) | 474 |
| Profit before tax | 4,906 | 6,568 | 7,155 | 3,243 | 4,322 | 8,415 |
| Return on average ordinary shareholders' equity (annualised) (%) | 11.4 | 13.2 | 13.2 | 5.8 | 6.4 | 14.6 |
| Cost efficiency ratio (%) | 60.9 | 54.4 | 49.5 | 67.1 | 63.9 | 52.4 |
| Cost efficiency ratio (excluding FVOD) (%) | 58.8 | 55.7 | 62.3 | 67.0 | 54.9 | 53.7 |

Reported quarterly results

Regional contributions

| PBT, USDm | 31 Mar 2011 | 30 Jun 2011 | 30 Sep 2011 | 31 Dec 2011 | 31 Mar 2012 | 30 Jun 2012 |
|----------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Hong Kong | 1,562 | 1,519 | 1,288 | 1,454 | 1,897 | 1,864 |
| Rest of Asia-Pacific | 1,634 | 2,108 | 2,008 | 1,721 | 2,024 | 2,348 |
| Asia | 3,196 | 3,627 | 3,296 | 3,175 | 3,921 | 4,212 |
| MENA | 335 | 412 | 405 | 340 | 332 | 440 |
| Latam | 542 | 609 | 764 | 400 | 604 | 541 |
| Europe | 652 | 1,495 | 2,955 | (431) | (997) | 330 |
| North America | 181 | 425 | (265) | (241) | 462 | 2,892 |
| Total | 4,906 | 6,568 | 7,155 | 3,243 | 4,322 | 8,415 |

Reported quarterly results

Global business contribution and Global Banking & Markets MVOI¹

Global business contribution

| PBT, USDm | 31 Mar 2011 | 30 Jun 2011 | 30 Sep 2011 | 31 Dec 2011 | 31 Mar 2012 | 30 Jun 2012 |
|--------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Retail Banking and Wealth Management | 960 | 2,166 | 224 | 920 | 2,182 | 4,228 |
| Commercial Banking | 1,935 | 2,254 | 1,954 | 1,804 | 2,204 | 2,225 |
| Global Banking and Markets | 2,932 | 1,879 | 1,006 | 1,232 | 3,079 | 1,968 |
| Global Private Banking | 308 | 244 | 248 | 144 | 286 | 241 |
| Other | (1,229) | 25 | 3,723 | (857) | (3,429) | (247) |
| Total | 4,906 | 6,568 | 7,155 | 3,243 | 4,322 | 8,415 |

Global Banking & Markets

Management view of net operating income¹

| USDm | 31 Mar 2011 | 30 Jun 2011 | 30 Sep 2011 | 31 Dec 2011 | 31 Mar 2012 | 30 Jun 2012 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| Global Markets | 2,912 | 2,234 | 1,283 | 1,669 | 3,143 | 2,191 |
| Credit | 293 | 237 | (219) | 24 | 305 | 65 |
| Rates | 988 | 367 | (241) | 227 | 1,194 | 611 |
| Foreign Exchange | 738 | 779 | 925 | 830 | 957 | 776 |
| Equities | 346 | 266 | 261 | 88 | 185 | 211 |
| Securities Services | 414 | 440 | 430 | 389 | 395 | 423 |
| Asset & Structured Finance | 133 | 145 | 127 | 111 | 107 | 105 |
| Global Banking | 1,251 | 1,419 | 1,376 | 1,355 | 1,347 | 1,438 |
| Financing & Equity Capital Markets | 771 | 893 | 804 | 765 | 718 | 808 |
| Payments & Cash Management | 331 | 364 | 413 | 426 | 433 | 441 |
| Other transaction services | 149 | 162 | 159 | 164 | 196 | 189 |
| Balance Sheet Management | 924 | 841 | 890 | 833 | 1,280 | 926 |
| Principal Investments | 99 | 76 | 12 | 22 | 76 | 71 |
| Other transaction services | (41) | (26) | (63) | (9) | (47) | (90) |
| Net operating income¹ | 5,145 | 4,544 | 3,498 | 3,870 | 5,799 | 4,536 |

Notes:

¹ Net operating income before loan impairment and other credit risk provisions

Notable items

| USDm | 1H11 | 2H11 | 1H12 |
|---|-------|---------|---------|
| Revenue¹ | | | |
| Non-qualifying hedges (NQH) | (312) | (1,072) | (462) |
| PVIF adoption of calculation refinement | 237 | - | - |
| Gain on sale of non-core investments in India | - | - | 275 |
| Loss recognised following the reclassification of business to HFS | - | - | (137) |
| Operating expenses¹ | | | |
| Pension curtailment gain / other gains | 570 | - | - |
| UK bank levy | - | (570) | 34 |
| UK customer redress programmes (mainly PPI) | (598) | (285) | (1,345) |
| Restructuring | (451) | (628) | (563) |
| Deferred variable compensation, accelerated amortisation | (138) | (25) | - |
| US mortgage foreclosure and servicing costs | - | (257) | - |
| US law enforcement and regulatory matters | - | - | (700) |
| Tax | | | |
| Recognition of deferred tax offset in respect of foreign tax credits, partly offset by a current period tax charge in respect of prior periods ² | 486 | - | - |

Notes:

1 Notable items included within the underlying results

2 Reported basis

Summary income statements for disposals, held for sale and run-off portfolios, 1H12

| USDm | Disposals, held for sale and run-off portfolios | | | | |
|---------------------------------------|---|-----------------|---------------|--------------------|----------------------|
| | Cards and Retail Services | Other Disposals | Held for Sale | Run-off portfolios | |
| | | | | US CML + Other | Legacy Credit in GBM |
| Revenue | 1,683 | 187 | 506 | 577 | (64) |
| LICs | (322) | 1 | (30) | (1,577) | (268) |
| Net operating income | 1,361 | 188 | 476 | (1,000) | (332) |
| Total operating expenses | (593) | (158) | (346) | (455) | (46) |
| Operating profit | 768 | 30 | 130 | (1,455) | (378) |
| Share of profit in JVs and associates | 0 | 1 | 1 | 0 | 0 |
| Profit before tax | 768 | 31 | 131 | (1,455) | (378) |
| By Geographical Region | | | | | |
| Europe | 0 | 0 | 0 | 0 | (369) |
| Hong Kong | 0 | 0 | 20 | 0 | 1 |
| Rest of Asia-Pacific | 0 | (7) | 12 | 0 | (1) |
| Middle East and North Africa | 0 | 0 | 35 | 0 | 0 |
| North America | 768 | 17 | 17 | (1,455) | (9) |
| Latin America | 0 | 21 | 47 | 0 | 0 |
| Profit before tax | 768 | 31 | 131 | (1,455) | (378) |
| By Global Business | | | | | |
| Retail Banking and Wealth Management | 768 | 29 | 64 | (951) | 0 |
| Commercial Banking | 0 | 2 | 25 | 9 | 0 |
| Global Banking and Markets | 0 | 1 | 51 | 0 | (378) |
| Global Private Banking | 0 | (2) | 0 | 0 | 0 |
| Other | 0 | 1 | (9) | (513) | 0 |
| Profit before tax | 768 | 31 | 131 | (1,455) | (378) |